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EMERGENCY AID TO FAMILIES PROGRAM

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HEARING

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON GOVERNMENT OPERATIONS HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

MARCH 19, 1986

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EMERGENCY AID TO FAMILIES PROGRAM

WEDNESDAY, MARCH 19, 1986

HOUSE OF REPRESENTATIVES,
INTERGOVERNMENTAL RELATIONS
AND HUMAN RESOURCES SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:05 a.m., in room 2218, Rayburn House Office Building, Hon. Ted Weiss (chairman of the subcommittee) presiding.

Present: Representatives Ted Weiss, John Conyers, Jr., Robert S. Walker, and Richard K. Armey.

Also present: James R. Gottlieb, staff director; Marc Smolonsky, professional staff member; Pamela H. Welch, clerk; and Martha Morrison, minority professional staff, Committee on Government Operations.

OPENING STATEMENT OF CHAIRMAN WEISS

Mr. WEISS. Good morning. The Subcommittee on Intergovernmental Relations and Human Resources is now in session.

Today the subcommittee continues its investigation of the Federal response to the homeless crisis. In 1984, we held hearings and field investigations in Washington, DC, New York City, Los Angeles, and Phoenix to examine the plight of America's homeless and the Federal response to the crisis. As a result of that investigation, the Committee on Government Operations approved a report which found the Federal Government's aid programs for the homeless to be disorganized and insufficient.

Since the report was released last April, almost a year ago, the problem of homelessness in America has worsened. It is beyond emergency proportions now. The homeless have become a permanent underclass of our society. We will hear testimony today that homelessness has increased dramatically in nearly every major city in the United States, and the demand for emergency food and shelter cannot be met.

While the problem grows worse, the administration has turned its back on the homeless. Recently, OMB Director James Miller told the House Budget Committee that the Federal Government has no responsibility at all for the homeless problem, and will do nothing to assist homeless men, women, and children, although he said that the problem tugs at the heartstrings. This is, and has been, the official position of an administration that once promised a safety net for American citizens who could not take care of themselves.

Today's hearing will examine homelessness among families, the fastest growing component of the homeless population. Studies indicate that families represent 27 percent of all homeless people in America. In some cities the percentage is larger. For example, in my home city of New York it is estimated that 66 percent of the homeless are family members. Last winter, this current winter, 92 additional families became homeless each month in New York.

The burgeoning problem of homeless families is not unique to New York. The U.S. Conference of Mayors recently reported that homelessness among families has increased in virtually every city it has surveyed. In 60 percent of those cities, emergency shelters were forced to turn homeless people away because the demand exceeded shelter capacity. In Seattle, for example, shelters turned away 4,600 people in just 1 month, November 1985.

One Federal program that can help homeless families is the Emergency Aid to Families Program [EAF] administered by the Social Security Administration. EAF funds 50 percent of the emergency services costs for families in the 27 States and territories participating in the program. Last year EAF provided more than $81 million in Federal funding for emergency services to an average of 33,000 family cases a month.

Today we will be hearing testimony from Jo Anne Ross, the Associate Commissioner for Family Assistance at the Social Security Administration. And we will be hearing from Arthur Holland, the distinguished mayor of Trenton, NJ, representing the U.S. Conference of Mayors, Dr. Ellen Bassuk, of Harvard University, who is concluding extensive research on homeless families, shelter providers, advocates for the homeless, and homeless people themselves.

Our first witness today will be Mayor Holland. Mr. Mayor, please take your place at the witness table, and identify your associate who is with you.

Before you sit down, it is the practice of this subcommittee to swear in all of its witnesses.

[Witnesses sworn.]

Mr. WEISS. Will you identify yourself?

Ms. WAXMAN. I am Laura Waxman, assistant executive director of the U.S. Conference of Mayors.

Mr. WEISS. We have a prepared statement from you which will be entered into the record in its entirety. Because today is an extremely busy day in the House—we have the full debate on the aid to the contras starting at about noon—we hope that we can get our work done before the House goes into session. So, we will appreciate it if all of our witnesses would limit their testimony that is given to us to no more than 10 minutes. Then we will take some additional time in questioning you. Your entire prepared statement will, of course, be entered into the record.

The green light in front of you indicates that you have time. At the end of 10 minutes, the red light will go. Hopefully, at that point, we can begin with the questioning.

You can now proceed as you see most appropriate.

STATEMENT OF ARTHUR J. HOLLAND, MAYOR, TRENTON, NJ, ACCOMPANIED BY LAURA WAXMAN, ASSISTANT EXECUTIVE DIRECTOR, U.S. CONFERENCE OF MAYORS

Mr. HOLLAND. Mr. Chairman, I am Arthur J. Holland, mayor of Trenton, and a member of the Conference of Mayors' Task Force on Hunger and Homelessness. I appreciate the opportunity to appear before you this morning to discuss an issue of great concern to the Nation's mayors—homeless families.

Earlier this year our task force released a report, "The Growth of Hunger, Homelessness and Poverty in America's Cities in 1985," which includes some new information on the problems of homelessness in the 25 cities whose mayors serve on the task force. Mr. Chairman, I would like to submit a copy of this report for the record.

Mr. WEISS. Without objection that will be done.

[The report is a part of the subcommittee's files.]

Mr. HOLLAND. First, let me provide you with some of the general information about homelessness, which we collected, before we move to the issue of homeless families.

In our study we found that the demand for shelter increased in nearly 9 out of 10 of the survey cities during 1985, by an average of 25 percent. In no city did the demand decrease last year.

In 60 percent of the cities, emergency shelters could not accommodate all of the people seeking assistance. In Seattle, for example, they used the basement of city hall for awhile. In over half of those cities, shelters had to routinely turn away people in need.

Twenty-two of the cities expect homelessness to continue to increase this year. None expect it to decrease.

Identified most often as reasons for the persistence of homelessness in cities were the shortage of housing affordable by low-income persons, changes in mental health policies combined with a lack of community services for chronically mentally ill individuals, and unemployment problems. In none of the 25 cities had the national economic recovery lessened the problem of homelessness.

On average, the composition of the cities' homeless population is 60 percent single men, 28 percent families, and 12 percent single women. The number of families with children and the number of single adults who are homeless have grown significantly in recent years. More people with chronic mental illness are now found in the homeless population.

I think it is important to note that that is due to the deinstitutionalization policy which is national now. In our own State, it is in full effect without adequate followup. And so more and more people who are discharged, because it has been deter.nined they are not in need of institutionalization, are showing up in these statistics.

On the issue of homeless families, Yonkers reported that families with children comprised 80 percent of that city's homeless population. Sixty-six percent of New York City's homeless are families. In both Chicago and Boston, 40 percent of the homeless population are parents and their children. Eleven cities, including Charleston, Denver, Minneapolis, Phoenix, San Antonio, San Francisco, and my

city of Trenton, estimated that 20 percent or less of their homeless are families.

Nearly all of the cities indicated that the composition of their homeless population has changed in recent years. The most significant difference has been a growing number of families with children, with 85 percent of the cities reporting an increase among this group. Increases in two-parent families were reported by Denver, Detroit, Louisville, and St. Paul.

Denver officials noted that there are more two-parent families seeking shelter because of being unemployed or underemployed. Officials in Detroit and Kansas City indicated that there are more women with young children who are homeless in those cities. In Boston, an average of 15 families become homeless every week. Families constitute the fastest growing group among homeless people in Phoenix.

Chicago officials indicated more families with children—families breaking down due to unemployment, stress, and abuse—are requesting shelter from the city. Other cities with increasing numbers of homeless families are Cleveland, Nashville, Salt Lake City, San Juan, Seattle, Yonkers, and again, my city of Trenton.

I would like to spend some time now on how our local welfare office responds to homelessness among families in Trenton and an innovative effort the city of Trenton has begun to prevent homelessness.

When a homeless family or individual comes to the Mercer County Board of Social Services, caseworkers make an effort to find them permanent shelter and to get them the benefits—such as AFDC--for which they are eligible. Temporary shelter, such as a hotel, is used only when there is no other shelter available and is generally only for a night or two.

The county received funds from the New Jersey Department of Community Affairs, which supported the homelessness case management system and supported a homelessness prevention program, which provided back rental payments, rental subsidies, security deposits, and mortgage assistance to qualifying households. Those funds are no longer available.

With the FEMA emergency food and shelter funds that go to Trenton up to a 1-month rental payment has been available to assist households threatened with eviction.

The city of Trenton is currently operating a rent abatement program. A unique project, as far as we know, that promotes self-sufficiency for vulnerable low-income people by preventing homelessness. The city has established a revolving fund to provide rent deposit assistance to low-income tenants threatened with eviction, so that they can seek redress in the courts.

Low-income families are highly vulnerable in disputes with landlords which lead to the withholding of rent and eviction notices. The courts provide recourse for tenants when landlords fail to provide heat or other necessities of safe and sanitary housing, typically ordering repairs and abatement of the disputed rent. Legal services agencies can assist qualified tenants in such proceedings.

Tenants, however, must make deposits of the disputed rent to secure access to the courts, and frequently tenants cannot afford this. All too frequently, the result is eviction, relatively expensive

temporary housing at public cost, and sometimes even family disintegration and dependency.

Through the city's rent abatement program, the rent deposits required by the court are provided. Our initial experiment with this approach showed that the program is highly successful in preventing eviction and homelessness, and the resulting threat of family disintegration.

It is cost effective, because it avoids both the short- and long-term public costs of dependency that are associated with homelessness.

It has important benefits in maintaining and improving the low-cost housing stock, and is replicable in other areas of the State and the Nation.

We want to continue to expand the program. We are currently awaiting a ruling from the State of New Jersey on whether we can use emergency shelter funds for this preventive effort. We also have a request for funds pending with the Federal Government.

Mr. Chairman, the Conference of Mayors appreciates the efforts that this subcommittee has made to examine and respond to the tragic problems of homelessness in our cities. And we will continue to work with you in whatever way we can be helpful.

Thank you for the opportunity to appear before you this morning. Now, if you would like, I will try to answer any questions you might have.

[The prepared statement of Mr. Holland follows:]

UNITED STATES CONFERENCE OF MAYORS

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STATEMENT BY

ARTHUR J. HOLLAND

MAYOR OF TRENTON

MEMBER, TASK FORCE ON HUNGER AND HOMELESSNESS
U.S. CONFERENCE OF MAYORS

BEFORE THE

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS
& HUMAN RESOURCES
COMMITTEE ON GOVERNMENT OPERATIONS
U.S. HOUSE OF REPRESENTATIVES

MARCH 19, 1986

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM ARTHUR J. HOLLAND, MAYOR OF TRENTON AND A MEMBER OF THE CONFERENCE OF MAYORS' TASK FORCE ON HUNGER AND HOMELESSNESS. THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU THIS MORNING TO DISCUSS AN ISSUE OF GREAT CONCERN TO THE NATION'S MAYORS -- HOMELESS FAMILIES.

EARLIER THIS YEAR OUR TASK FORCE RELEASED A REPORT, THE GROWTH OF HUNGER, HOMELESSNESS AND POVERTY IN AMERICA'S CITIES IN 1985, WHICH INCLUDES SOME NEW INFORMATION ON THE THE PROBLEMS OF HOMELESSNESS IN THE 25 CITIES WHOSE MAYORS SERVE ON THE TASK FORCE. MR. CHAIRMAN, I WOULD LIKE TO SUBMIT A COPY OF THIS REPORT FOR THE RECORD.

FIRST, LET ME PROVIDE YOU WITH SOME OF THE GENERAL INFORMATION ABOUT HOMELESSNESS, WHICH WE COLLECTED BEFORE WE MOVE TO THE ISSUE OF HOMELESS FAMILIES. IN OUR STUDY WE FOUND THAT:

* THE DEMAND FOR SHELTER INCREASED IN NEARLY NINE OUT OF 10 OF THE SURVEY CITIES DURING 1985, BY AN AVERAGE OF 25 PERCENT. IN NO CITY DID THE DEMAND DECREASE LAST YEAR.
* IN 60 PERCENT OF THE CITIES, EMERGENCY SHELTERS COULD NOT ACCOMMODATE ALL OF THE PEOPLE SEEKING ASSISTANCE. IN OVER HALF OF THOSE CITIES, SHELTERS HAD TO ROUTINELY TURN AWAY PEOPLE IN NEED.
* TWENTY-TWO OF THE CITIES EXPECT HOMELESSNESS TO CONTINUE TO INCREASE THIS YEAR. NONE EXPECT IT TO DECREASE.
* IDENTIFIED MOST OFTEN AS REASONS FOR THE PERSISTENCE OF HOMELESSNESS IN CITIES WERE: THE SHORTAGE OF HOUSING AFFORDABLE BY LOW INCOME PERSONS, CHANGES IN MENTAL HEALTH POLICIES COMBINED WITH A LACK OF COMMUNITY SERVICES FOR CHRONICALLY MENTALLY ILL INDIVIDUALS, AND UNEMPLOYMENT

PROBLEMS. IN NONE OF THE 25 CITIES HAD THE NATIONAL ECONOMIC RECOVERY LESSENED THE PROBLEM OF HOMELESSNESS.

* ON AVERAGE, THE COMPOSITION OF THE CITIES' HOMELESS POPULATION IS 60 PERCENT SINGLE MEN, 28 PERCENT FAMILIES AND 12 PERCENT SINGLE WOMEN. THE NUMBER OF FAMILIES WITH CHILDREN AND THE NUMBER OF SINGLE ADULTS WHO ARE HOMELESS HAVE GROWN SIGNIFICANTLY IN RECENT YEARS. MORE PEOPLE WITH CHRONIC MENTAL ILLNESS ARE NOW FOUND IN THE HOMELESS POPULATION.

ON THE ISSUE OF HOMELESS FAMILIES, YONKERS REPORTED THAT FAMILIES WITH CHILDREN COMPRISED 80 PERCENT OF THAT CITY'S HOMELESS POPULATION. SIXTY-SIX PERCENT OF NEW YORK CITY'S HOMELESS ARE FAMILIES. IN BOTH CHICAGO AND BOSTON, 40 PERCENT OF THE HOMELESS POPULATION ARE PARENTS AND THEIR CHILDREN. ELEVEN CITIES, INCLUDING CHARLESTON, DENVER, MINNEAPOLIS, PHOENIX, SAN ANTONIO, SAN FRANCISCO AND MY CITY OF TRENTON, ESTIMATED THAT 20 PERCENT OR LESS OF THEIR HOMELESS ARE FAMILIES.

NEARLY ALL OF THE CITIES INDICATED THAT THE COMPOSITION OF THEIR HOMELESS POPULATION HAS CHANGED IN RECENT YEARS. THE MOST SIGNIFICANT DIFFERENCE HAS BEEN A GROWING NUMBER OF FAMILIES WITH CHILDREN, WITH 85 PERCENT OF THE CITIES REPORTING AN INCREASE AMONG THIS GROUP. INCREASES IN TWO-PARENT FAMILIES WERE REPORTED BY DENVER, DETROIT, LOUISVILLE AND SAINT PAUL. DENVER OFFICIALS NOTED THAT THERE ARE "MORE TWO-PARENT FAMILIES SEEKING SHELTER BECAUSE OF BEING UNEMPLOYED OR UNDEREMPLOYED." OFFICIALS IN DETROIT AND KANSAS CITY INDICATED THAT THERE ARE MORE WOMEN WITH YOUNG CHILDREN WHO ARE HOMELESS IN THOSE CITIES. IN BOSTON, AN

AVERAGE OF 15 FAMILIES BECOME HOMELESS EVERY WEEK. FAMILIES CONSTITUTE THE FASTEST GROWING GROUP AMONG HOMELESS PEOPLE IN PHOENIX. CHICAGO OFFICIALS INDICATED "MORE FAMILIES WITH CHILDREN -- FAMILIES BREAKING DOWN DUE TO UNEMPLOYMENT, STRESS, AND ABUSE -- ARE REQUESTING SHELTER FROM THE CITY." OTHER CITIES WITH INCREASING NUMBERS OF HOMELESS FAMILIES ARE CLEVELAND, NASHVILLE, SALT LAKE CITY, SAN JUAN, SEATTLE, YONKERS AND MY CITY OF TRENTON.

I WOULD LIKE TO SPEND SOME TIME NOW ON HOW OUR LOCAL WELFARE OFFICE RESPONDS TO HOMELESSNESS AMONG FAMILIES IN TRENTON AND AN INNOVATIVE EFFORT THE CITY OF TRENTON HAS BEGUN TO PREVENT HOMELESSNESS.

WHEN A HOMELESS FAMILY OR INDIVIDUAL COMES TO THE MERCER COUNTY BOARD OF SOCIAL SERVICES, CASEWORKERS MAKE AN EFFORT TO FIND THEM PERMANENT SHELTER AND TO GET THEM THE BENEFITS -- SUCH AS AFDC --FOR WHICH THEY ARE ELIGIBLE. TEMPORARY SHELTER, SUCH AS A HOTEL, IS ONLY USED WHEN THERE IS NO OTHER SHELTER AVAILABLE AND GENERALLY ONLY FOR A NIGHT OR TWO. THE COUNTY RECEIVED FUNDS FROM THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS WHICH SUPPORTED THE HOMELESSNESS CASE MANAGEMENT SYSTEM AND SUPPORTED A HOMELESSNESS PREVENTION PROGRAM WHICH PROVIDED BACK RENTAL PAYMENTS, RENTAL SUBSIDIES, SECURITY DEPOSITS, AND MORTGAGE ASSISTANCE TO QUALIFYING HOUSEHOLDS. THOSE FUNDS ARE NO LONGER AVAILABLE. WITH THE FEMA EMERGENCY FOOD AND SHELTER FUNDS THAT GO TO TRENTON UP TO

A ONE-MONTH RENTAL PAYMENT HAS BEEN AVAILABLE TO ASSIST HOUSEHOLDS THREATENED WITH EVICTION.

THE CITY OF TRENTON IS CURRENTLY OPERATING A RENT ABATEMENT PROGRAM -- A UNIQUE PROJECT THAT PROMOTES SELF-SUFFICIENCY FOR VULNERABLE LOW-INCOME PEOPLE BY PREVENTING HOMELESSNESS. THE CITY HAS ESTABLISHED A REVOLVING FUND TO PROVIDE RENT DEPOSIT ASSISTANCE TO LOW INCOME TENANTS THREATENED WITH EVICTION, SO THAT THEY CAN SEEK REDRESS IN THE COURTS.

LOW INCOME FAMILIES ARE HIGHLY VULNERABLE IN DISPUTES WITH LANDLORDS WHICH LEAD TO THE WITHHOLDING OF RENT AND EVICTION NOTICES. THE COURTS PROVIDE RECOURSE FOR TENANTS WHEN LANDLORDS FAIL TO PROVIDE HEAT OR OTHER NECESSITIES OF SAFE AND SANITARY HOUSING, TYPICALLY ORDERING REPAIRS AND ABATEMENT OF THE DISPUTED RENT. LEGAL SERVICES AGENCIES CAN ASSIST QUALIFIED TENANTS IN SUCH PROCEEDINGS. TENANTS, HOWEVER, MUST MAKE DEPOSITS OF THE DISPUTED RENT TO SECURE ACCESS TO THE COURTS, AND FREQUENTLY TENANTS CANNOT AFFORD THIS. ALL TO FREQUENTLY, THE RESULT IS EVICTION, RELATIVELY EXPENSIVE TEMPORARY HOUSING AT PUBLIC COST, AND SOMETIMES EVEN FAMILY DISINTEGRATION AND DEPENDENCY.

THROUGH THE CITY'S RENT ABATEMENT PROGRAM THE RENT DEPOSITS REQUIRED BY THE COURT ARE PROVIDED. OUR INITIAL EXPERIMENT WITH THIS APPROACH SHOWED THAT THE PROGRAM:

* IS HIGHLY SUCCESSFUL IN PREVENTING EVICTION AND HOMELESSNESS, AND THE RESULTING THREAT OF FAMILY DISINTEGRATION;
* IS COST-EFFECTIVE BECAUSE IT AVOIDS BOTH THE SHORT AND LONG-TERM PUBLIC COSTS OF DEPENDENCY THAT ARE ASSOCIATED WITH HOMELESSNESS;

* HAS IMPORTANT BENEFITS IN MAINTAINING AND IMPROVING THE LOW-COST HOUSING STOCK; AND

* IS REPLICABLE IN OTHER AREAS OF THE STATE AND THE NATION.

WE WANT TO CONTINUE AND EXPAND THE PROGRAM, BUT ARE CURRENTLY AWAITING A RULING FROM THE STATE OF NEW JERSEY ON WHETHER WE CAN USE EMERGENCY SHELTER FUNDS FOR THIS PREVENTIVE EFFORT. WE ALSO HAVE A REQUEST FOR FUNDS PENDING WITH THE FEDERAL GOVERNMENT.

MR. CHAIRMAN, THE CONFERENCE OF MAYORS APPRECIATES THE EFFORTS THAT THIS COMMITTEE HAS MADE TO EXAMINE AND RESPOND TO THE TRAGIC PROBLEMS OF HOMELESSNESS IN OUR CITIES. WE WILL CONTINUE TO WORK WITH YOU IN WHATEVER WAY WE CAN BE HELPFUL.

THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU THIS MORNING. I WILL TRY TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.

Mr. WEISS. Thank you very much, Mayor Holland. Let me note that—as I indicated before—this is going to be an extremely busy day on the floor, and members on the subcommittee will be in and out as their schedules permit.

Let me acknowledge the presence of our ranking member, Mr. Walker.

Mr. WALKER. I thank the gentleman.

Mr. WEISS. And Mr. Armey of Texas. And I know that they will both be participating as the day goes on.

Mr. Mayor, the survey conducted by the U.S. Conference of Mayors found that the average number of families with children requesting emergency food assistance had increased an average of 30 percent, and, in cities like Boston, had increased as much as 65 percent.

Do the cities have the resources to meet that increased demand?

Mr. HOLLAND. We have met it marginally in Trenton. I cannot speak—we are in the process of resurvey—I cannot speak for other communities. We have a place in Trenton called the rescue mission, which traditionally has housed single people. We had to add 50 beds for families at that agency. And we have a detoxification center which treats addicts. We had to segregate a section of that building for families.

So, that is exhibit A, so far as I am concerned, in support of the statement that homelessness on the part of families is increasing.

And I guess what I am having trouble with is the definition of meeting. It is certainly not adequately.

Mr. WEISS. Yes; we have some indication that across the board the average of unmet need across the country is about 17 percent, and that in Trenton it is about 25 percent. Are those roughly accurate?

Mr. HOLLAND. Yes; and I say meet adequately. We are just crowding in people. It is certainly not safe, sanitary, and decent housing in the Federal definition sense.

Laura, do you have something from the survey?

Ms. WAXMAN. Yes; if I might add. We have a table on page 19 of the survey which lists—identifies—the number of homeless people estimated in the cities, and the number of shelter beds available. And there is a tremendous gap, as you look through most of the cities, in the extent of the problem and the means to meet it.

We also found that a number of the cities used a lot of different resources to respond to the problems of homelessness. Eighty-two percent of the cities used local funds to support services—locally generated revenues. Thirteen of the cities, 59 percent, got State funds. Six cities used general revenue sharing and other Federal resources were used as well.

And cities are using a lot of different resources, whatever they have available. But they are still unable to meet the need.

Mr. WEISS. And do you expect that the demand for emergency services will continue to increase?

Ms. WAXMAN. Yes; all but three of the cities indicated that they expected homelessness would increase during this year.

Mr. WEISS. Now, which Federal programs did the survey find were being used to fund emergency food and shelter services? You indicated general revenue sharing. What other programs?

Ms. WAXMAN. General revenue sharing, as you said. There were six cities that used this. The community development block grant was used specifically by 12 cities. And 17 of the cities indicated they were using the Federal Emergency Food and Shelter Program, the FEMA program.

Mr. WEISS. Mr. Mayor, as you know, these programs are scheduled to be cut back, or they are proposed to be cut back in the current budget and the upcoming budgets. Will the cities have the resources to compensate for those cuts?

Mr. HOLLAND. Mr. Chairman, I do not know how typical Trenton is of other old central cities, but I gave my state of the city message 2 weeks ago tomorrow night. And while we are undergoing physical renewal—we have a kind of building boom going on—there is an incongruity about it, because we are also in the process of notifying employees that we will be laying them off. And also increasing taxes by about 150 points.

So, the local resources in the old central cities, where there is reliance still, unfortunately, heavily on the real estate taxes, just are not there. And if the Federal funding is curtailed or, as you have indicated, withdrawn, the problems will still be there. They will just worsen.

And I think the Federal Government will then, after a period of time, come to the realization that those programs were there because of need and we will have to go back to them. But I foresee a terrible situation in the cities if Gramm-Rudman is ever really implemented.

Mr. WEISS. Ten of the twenty-five cities that were surveyed by the Conference of Mayors do not participate in the Emergency Assistance to Families Program. Given that the cities cannot meet the current needs of homeless families and the problem is worsen-

ing, why would you think that the States in which these cities are located do not participate in the program?

Mr. HOLLAND. Well, the fatal flaw in the new federalism is that the States which would assume a stronger role, have not. And, in fact, they have passed on their cuts to the municipalities. The developing communities can handle that, but the old central cities cannot.

And unless we are lobbying with our State government as regularly as with the Federal Government for financial assistance and unless that aid is forthcoming from the State level, the needs are not going to be able to be met unless cities try to an extent practically to spend themselves into a position in which the State would have to move in on an emergency fiscal basis.

Mr. WEISS. Ms. Waxman, as you know, the application or the contract to participate in the program has to be entered into between the State and the Federal Government, not the locality. The localities are really helpless if the States do not arrange to participate in the program.

Do you have any information as to why roughly half of the States and territories have chosen not to participate in the program?

Ms. WAXMAN. No; we do not. And I think one of the reasons that we do not is we have not heard a lot from the cities on this particular program. And probably a reason for that is that most of the cities, with a few exceptions of the 25 in the survey, do not administer welfare programs. It is a county function. Yet, it is very often the city government that ends up having to deal with the problem of homelessness.

We are seeing a split in the responsibilities for different functions. But I think this is an area that we will be asking the cities to look into more. Maybe this is a resource that they are unaware is available to homeless people, if the State does participate in the program. And if the State does not, maybe there is something they can do to encourage the State to do that.

Mr. HOLLAND. I think one of the reasons we have had State participation is because we are evidently in a situation in which a county responsibility has, in effect, become the responsibility of the city.

We are 1 of 13 municipalities in the county of Mercer. We are less than a third of the population. But 93 percent of the county's aid for families with dependent children cases live in our city.

Mr. WEISS. Why would you say that is the case?

Mr. HOLLAND. I beg your pardon?

Mr. WEISS. Why is that?

Mr. HOLLAND. Because there is no low- or moderate-income housing any place but in our central city. The underlying cause of the problems of the cities is the socioeconomic imbalance. The fact that poor people have no place to live, at least in the Northeast, except in the cities. There has been exclusionary zoning for so long.

So, we have over 2,000 public housing units. How would you like to be in the real estate business and have over 2,000 units and not only not get any revenue from them, but subsidize them further. And there is no public housing—not one unit—in the three municipalities surrounding us.

Mr. WEISS. In your testimony you indicated that in this rent abatement program that the county received funds from the New Jersey Department of Community Affairs, but that those funds are no longer available. Why is that? Why did that funding program terminate?

Mr. HOLLAND. That was a county emergency program, which we are seeking renewal of. We are asking for special rent abatement money. But the overall assistance program that the State has goes to the county, and then the county makes distribution.

The county has recognized that 70 percent of the poverty of the county is in our community. And the majority of the money available for assisting for the homeless and the hungry has come into Trenton.

Mr. WEISS. Thank you. Mr. Armey.

Mr. ARMEY. Mr. Chairman, I have an opening statement and I would like to submit it for the record.

Mr. WEISS. Of course, without objection that will be done.

[The opening statement of Mr. Armey follows:]

STATEMENT BY CONGRESSMAN DICK ARMEY BEFORE THE SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS AND HUMAN RESOURCES

MARCH 19, 1986

Mr. Chairman, homelessness is a major problem which requires thoughtful and compassionate measures. A compassionate society will take care of those who cannot take care of themselves. I believe we live in a compassionate society, and have an obligation to take care of those who spend night after night roaming the streets.

As an economist, I find homelessness a particularly vexing problem. One of the assumptions made by economists is what we call the doctrine of the rational man. It is one of the fundamental assumptions needed to make an accurate economic analysis. The problem of homelessness often defies accurate economic analysis because many of the homeless are unable to make rational decisions due to drugs or mental illness. Therefore, it is difficult to offer them incentives to improve their lifestyle because, due to mental illness, drugs, or other problems, they are unable to determine what is in their own best interest. To me, this is the very definition of a truly needy person.

I know of no one who disputes the need for the government to deal with this problem. The subject of the hearing today is family homelessness, a subject which has not received adequate research. I hope that the hearings today will help shed some light on this important facet of the overall problem of homelessness.

As I mentioned, everyone sees a need to help the homeless. The real question is how to do it most effectively. The solutions should not exclude participation by the private sector. In fact, the private sector response to the problem of homelessness has been tremendous. Currently, some 94% of U.S. shelters are operated by churches, synagogues, nonreligious groups, and other voluntary associations. In 1983 alone, private sources have provided over $136 million, which was equal to about 63% of 1983 shelter operating expenses. These shelters were staffed by thousands of volunteers working directly with the homeless or working to raise funds for the shelters. While the private sector has responded generously, I believe it can do even more.

Local governments have also been active in helping the homeless. The vast majority of local governments operate shelters, assist private efforts, and facilitate the construction of low-income housing. However, there are several areas in which local governments could do more to help the homeless.

First, tax advantages and inflation-induced capital gains have encouraged the conversion of multi-family units to condominiums. Unfortunately, cities have provided few incentives for investment in low-income housing. Tax incentives should be given to investors to build more low-income housing.

Second, rent control also contributes to homelessness. The President's Commission on Housing reported in 1982 that rent control, now in place in over 200 cities, leads to disinvestment in rental housing, either by prompting conversion to cooperative or condominium ownership or by

encouraging poor maintenance. All too often, this has led to abandonment of low-cost rental units, reducing the number of homes available to low-income tenants. Rent control is a perfect example of perverse government policy harming those it intends to help, and should be abolished.

These two suggestions are good first steps in redefining our care for the homeless. We must address the root of the problem rather than simply treating the symptoms. Local governments have historically been willing to try new approaches to solving these difficult problems, and I'm confident that they will continue to seek out new ideas to help the truly needy in the future.

While local governments have been relatively active in helping the homeless, state governments have done comparatively little. State governments must act as more than a conduit for federal funds and assume a more active role in assisting local and federal government, as well as the private sector, in combatting homelessness. States have traditionally been heavily involved in caring for the mentally ill, but have ignored their responsibility to a great number of the homeless who are mentally ill. In fact, states presently provide only 8% of the funding for homeless shelters which house thousands of former mental patients. It is inhumane and totally unacceptable to leave the homeless mentally ill in the streets. The states should provide adequate mental health care facilities in the community before releasing patients from state institutions.

Not all states have been negligent in dealing with the homeless mentally ill. Maryland, New Jersey, California, Massachusetts, and New York have recently appropriated substantial funds and devised new programs to

aid the homeless. I urge the rest of the states to follow their lead.

Mr. Chairman, hopefully this hearing will consider new and innovative ways to help the homeless. I would like to hear a discussion of how states could take a more active role in helping the homeless. I would like to hear a discussion of how abolishing rent control would help the homeless. I would like to hear a discussion of how cities and states could provide economic incentives to encourage investment in low-income housing.

On the federal level, I would like to explore the effect of Enterprise Zones on the homeless. I would particularly like to discuss the benefits of Urban Homesteading, which gives low-incomes people the pride of owning their own house and taking care of their property.

Mr. Chairman, I applaud your concern for the homeless. I sincerely hope that today's hearing can address some of the issues mentioned above, and hopefully facilitate reform in the way we assist the homeless.

Thank you for allowing me this time to express my views, and I look forward to a lively and informative hearing.

Mr. ARMEY. I appreciate the fact that you are holding these hearings. I, certainly, appreciate you folks coming out. I know this is an incredibly difficult and complex problem. I am sitting here listening to your testimony, and it seems like we have so many different classifications.

Apparently, we have a good many addicts on the streets without homes, places to stay. I think one of the most heartbreaking things is to think of the mentally handicapped or mentally ill people. It seems to me that the States may be a little more diligent here in terms of making sure these people get better treatment.

The other thing, of course, is the one that I suppose is the story we have not really gotten hold of. At least in my local media, I have seen the TV cameras run out under bridges and so forth and show us what I think you referred to as the single homeless, generally adults.

I have to tell you, quite frankly, I understand that if you are going to be a drug addict, you are going to spend a good deal of money on those drugs. And I have to tell you, quite frankly, if somebody can afford to buy drugs, I expect they can afford to buy a home. And if they make the choice to sleep in a culvert and buy the drugs, I do not find a lot of compassion in my heart for them.

But I do find that for the mentally ill and the children. It must be a terribly, terribly heartbreaking situation, especially for you with hands-on experience with these people, and the frustration you must feel.

I would like to stay and listen to as much as I can to the hearing, read the transcript, and try to search for some alternatives.

But I do think we really need to differentiate between those who are helpless or truly needy or truly disadvantaged by way of lacking the facility to care for themselves, and those who just, quite frankly, make the decision, they would rather buy drugs or alcohol than pay for a place to stay. I guess I am kind of old fashioned that way, but my point is, if a person makes the choice to buy this kind of mind-boggling stuff, then I guess that we ought to accommodate his desire to have that and sleep in a culvert. I would not really waste a lot of compassion on that person.

I know that that represents other problems, even if you say, well, they made their choice. Because we also know that the funding for this often is through crime and so forth.

I guess, Mr. Chairman, I am just sort of expressing some of my frustration. It is a terribly complex issue. I appreciate your willingness to be involved. I suspect you probably should be getting more help from the States, as well as, undoubtedly, you believe you ought to get more from the Federal Government.

But I do want to listen to the testimony, read the transcript, and try to find, if we can, some way of responding, particularly to the children. And I am very much concerned and interested in that.

Mr. WEISS. Thank you very much, Mr. Armey.

Mr. HOLLAND. I do think, Mr. Chairman, though it is important to distinguish between those who choose, as you say, to purchase drugs and live in that style, and those who having made a choice, a mistaken choice, and want to get out of that, and, therefore, need the kinds of help that is provided through programs that would bring people out of drug abuse.

I attended a seminar in a church on Sunday morning, and the people came together because of their concerns, knowing a number of cases in their own families—young people, in this case—who had been addicted.

There is a certain percentage of street people, so-called, that are hardened and, I guess, have given up in a way. But that is an irreducible minimum. And there is an area there where I think we can bring people back if we have the help.

And I want to thank you, Mr. Chairman, and members of the subcommittee for your help with general revenue sharing continuation, because it is one of the sources, as we have noted, for help for this particular problem.

Mr. WEISS. Well, as you may know, the general revenue sharing program is not in the best state of health. And although——

Mr. HOLLAND. I usually wear a button that says, "General Revenue Sharing Lives."

Mr. WEISS. Yes; well, barely.

Mr. HOLLAND. Yes.

Mr. WEISS. We are trying to improve its condition. But I would not bet the mortgage on it at this point.

Let me ask you——

Mr. HOLLAND. We have picked up a number of supporters in recent weeks.

Mr. WEISS. Indeed it has. And we have reported it out of this subcommittee, and hopefully there will be action by the full committee soon.

Let me ask you, just to try to put your own city's situation into some context. What is the population of Trenton?

Mr. HOLLAND. 92,327.

Mr. WEISS. And give me some statistics about the number of homeless that you deal with on a monthly basis, or that you have dealt with over the course of this past winter.

Mr. HOLLAND. 2,000 to 3,000 homeless. The number of city shelter beds is 200 plus. That includes the ones I mentioned at the rescue mission and at the detox center, and this place we call Lifeline.

That is why the program I referred to as being innovative is so important. It keeps people in their homes. What happens frequently is that people of marginal income do not pay their rent because they have to fix a leak in the roof, or fix the heater. And the landlord, therefore, moves to evict, when really it is his fault for not having maintained the premises.

So what we do is put up the money that enables them to go to court and have it heard. And in many cases, the landlord is found wrong, and not only does the tenant stay but the repairs are then made. And in some cases, the rent has been reduced.

Mr. WEISS. And so yours has been a preventive program to try to keep families from being pushed out on the street.

Mr. HOLLAND. Yes; the best kind of——

Mr. WEISS. Right. And have you, in fact, been able to use the Emergency Assistance for Families Program funding for that purpose?

Mr. HOLLAND. That is what is in doubt. We are awaiting an opinion on that.

Mr. WEISS. Well, maybe we will take that up with the Commissioner as we pursue the issue.

Mr. HOLLAND. That is one of the purposes of our coming here.

Mr. WEISS. Right. Well, thank you very, very much for your participation.

Our next witness will be Jo Anne B. Ross, Associate Commissioner for Family Assistance with the Social Security Administration, the Department of Health and Human Services. Commissioner Ross, will you be accompanied by anyone from your staff?

Ms. ROSS. No, sir.

Mr. WEISS. You will be flying solo? OK.

[Witness sworn.]

Mr. WEISS. Again, your entire statement will be entered in the record, without objection. And we will proceed as you deem most appropriate.

STATEMENT OF JO ANNE B. ROSS, ASSOCIATE COMMISSIONER FOR FAMILY ASSISTANCE, SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Ms. ROSS. Thank you, Mr. Chairman. I am pleased to appear before you today to testify in your continuing series of hearings on the plight of the homeless. As you know from your previous hearings, there is a wide spectrum of programs and activities being operated at Federal, State, and local levels of government and by private organizations to help meet this complex and serious problem. At the Federal level, several departments, including HHS, are involved in this effort. Within HHS, one of the programs which can be used for this purpose is emergency assistance, and it is this program which you have asked me to talk about today.

Emergency assistance is a program with a clearly defined statutory mission—to help children and their families meet crisis needs. It was created in 1967 as an optional complement to the Aid to Families with Dependent Children Program. In fact, Congress specifically created emergency assistance because it recognized that AFDC and other programs, by their very nature, could not always respond quickly to a family's emergency needs, and Congress intended for emergency assistance to fill this specific gap. Like AFDC, emergency assistance benefits are specifically targeted to needy children and their families. As a result, in creating emergency assistance, Congress added it to the title of the Social Security Act which authorizes AFDC and placed it under the management of the State welfare departments which administer AFDC.

As the Senate Finance Committee said in its report on the authorizing legislation, "The committee understands that the process of determining AFDC eligibility and authorizing payments frequently precludes the meeting of emergency needs when a crisis occurs. In the event of eviction, or when utilities are shut off, or when an alcoholic parent leaves children without food, immediate action is necessary." The committee went on to say that the bill was intended to "encourage public welfare agencies to move promptly and with maximum effectiveness in such situations."

To make this possible, Congress offered Federal matching for emergency assistance expenditures to States which elected to implement the program. The Federal Government pays 50 percent.

Today, 28 States and jurisdictions operate emergency assistance. This number has been relatively stable since 1973. In 1981, emergency assistance benefits totaled $125 million. Last year, that amount had risen to $156 million. Half of those funds were provided by the Federal Government, the other half by the States. This year, we anticipate that approximately $161 million will be spent on emergency assistance benefits.

In accordance with the congressional mandate, the program is designed to meet the emergency needs of families without other resources. As a result, States need substantial flexibility to determine which emergency situations will be covered and who will be eligible. In keeping with this intent, we have sought to strike a balance between reserving the program for crisis situations by giving States flexibility to meet needs as they arise, and ensuring that the program remains a temporary assistance vehicle.

In determining eligibility, States set criteria, within broad Federal guidelines which target assistance to families who have emergency needs and lack the means to meet them. Included in my written statement are the specific eligibility requirements.

I would like to point out that while the basic thrust of these requirements is similar to that governing AFDC eligibility—both programs focus on needy families with children—requirements for emergency assistance may be different.

In addition to having broad latitude in setting eligibility requirements, States can also define the kinds of emergencies which they will meet through emergency assistance. These may range from broken refrigerators to natural disasters. States also define the types of assistance they will provide. These can include cash, services, or other items the family needs, such as food, clothing, and furniture.

The State can also pay past and future expenses associated with the emergency. But because of the emergency nature of emergency assistance, there are some things States cannot do.

All assistance must relate to the emergency situation. For example, if a family's crisis is a utility shutoff, the State can pay past-due bills, a fee for service resumption, and even authorize payment for future service the family will not be able to afford. But the State could not provide for needs unrelated to the utility shutoff.

Payment may be authorized only during one 30-day period in any 12 months. This requirement is intended to ensure the program does not evolve into continuing maintenance instead of emergency assistance. I might add that until 1984, Federal policy required States not only to authorize, but also to pay for assistance within that 30-day period. We changed the policy to allow actual payment outside the 30 days in response to problems States encountered in receiving and paying bills for services within the time limit, and in anticipating in advance the precise cost of meeting the emergency need. Additionally, in response to State requests for guidance, we articulated policy allowing States to pay for up to 90 days of shelter in keeping with the emergency nature of the program.

As you can see, these minimal requirements give States the flexibility they need to respond quickly tc a variety of emergencies. At the same time, these Federal requirements preserve the temporary nature of assistance.

I would like to turn now to your specific area of interest, how emergency assistance can help families who have lost their homes.

Shelter needs have been a major part of the Emergency Assistance Program since the beginning. The committee report on the authorizing legislation which I quoted earlier specifically cited the need which arises when a family is evicted.

The premise that children do best in their own homes, which governs emergency assistance shelter activities, parallels the major thrust of the AFDC Program. When a family loses its home, for whatever reason, it is important that immediate shelter needs be met and that the family be kept together.

Emergency assistance can provide a family who has lost a home the time and means to get resettled. Alternatively, for homeless families with continuing needs, emergency assistance can bridge the gap between the onset of the crisis and the time that ongoing maintenance programs can respond.

For example, emergency assistance can pay for temporary shelter, storage, or replacement of household goods, and relocation costs involved in moving to a new or former home.

Equally important, the Emergency Assistance Program can serve a role in preventing the homelessness of a family with children. Should a home become uninhabitable—for example, because of furnace failure—emergency assistance can step in and provide the assistance needed to remedy the problem.

Clearly, emergency assistance is not the solution to every family's shelter-related problems. But it does serve a role in helping meet a family's immediate needs and keeping children with their family during the crisis.

I will be happy to answer any questions you might have.

[The prepared statement of Ms. Ross follows:]

STATEMENT

BY

JO ANNE B. ROSS
ASSOCIATE COMMISSIONER FOR FAMILY ASSISTANCE
SOCIAL SECURITY ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

I am pleased to appear before you today to testify in your continuing series of hearings on the plight of the homeless. As you know from your previous hearings, there is a wide spectrum of programs and activities being operated at Federal, State and local levels of government and by private organizations to help meet this complex and serious problem. At the Federal level, several departments, including Health and Human Services, are involved in this effort. Within HHS, one of the programs which can be used for this purpose is Emergency Assistance, and it is this program which you have asked me to talk about today.

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To make this possible, Congress offered Federal matching for Emergency Assistance expenditures to States which elected to implement the program. The Federal government pays 50 percent.

Today 28 States and jurisdictions operate Emergency Assistance. This number has been relatively stable since 1973. In 1981, Emergency Assistance benefits totaled $125 million. Last year, that amount had risen to $156 million. Half of those funds were provided by the Federal government, the other half by the States. This year, we anticipate that approximately $161 million will be spent on Emergency Assistance benefits.

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In determining eligibility, States set criteria, within broad Federal guidelines which target assistance to families who have emergency needs and lack the means to meet them. Among specific Federal requirements are:

- That assistance is limited to needy children under age 21 and their families;
- That the needy child must live with, or recently have lived with, a close relative;
- That the family not have resources immediately accessible to meet the emergency need;
- That States choosing to operate programs must do so on a statewide basis; and
- That States must provide assistance to all eligible families regardless of whether they receive AFDC.

I would like to point out that while the basic thrust of these requirements is similar to that governing AFDC eligibility, -- both programs focus on needy families with children -- eligibility requirements for Emergency Assistance may be different.

In addition to having broad latitude in setting eligibility requirements, States can also define the kinds of emergencies which they will meet through Emergency Assistance. These may range from broken refrigerators to natural disasters. States also define the types of assistance they will provide. These can include cash, services, or other items the family needs, such as food, clothing, and furniture.

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Emergency Assistance can provide a family who has lost a home the time and means to get resettled. Alternatively, for homeless families with continuing needs, Emergency Assistance can bridge the gap between the onset of the crisis and the time that on-going maintenance programs can respond.

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Equally important, the Emergency Assistance program can serve a role in preventing the homelessness of a family with children. Should a home become uninhabitable -- for example, because of furnace failure -- Emergency Assistance can step in and provide the assistance needed to remedy the problem.

Clearly, Emergency Assistance is not the solution to every family's shelter-related problems. But it does serve a role in helping meet a family's immediate needs and keeping children with their family during the crisis.

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Mr. WEISS. Thank you very much, Commissioner.

Let me also note the presence of our distinguished member from the State of Michigan, Mr. Conyers. As I indicated at the outset, members will be coming in and leaving as their schedules demand. We are very pleased that so many members today have been able to come in to participate.

Ms. Ross, you testified that 28 States participate in the program. Why only those 28 States or territories?

Ms. ROSS. Mr. Chairman, as I indicated, emergency assistance is an optional program. States are not required to participate in it. It is actually 28 jurisdictions, 26 States and two territories that participate in the program.

The States that are not participating have not opted to. I would assume that the reason that they have not opted to do so is that they are able to respond to emergency situations through some other means, as opposed to relying on this particular program.

Mr. WEISS. But is that your experience? Do you really believe that 28 jurisdictions need the help and that the other 28 are really able to handle it and do not need the utilization of the program?

Ms. ROSS. It is hard for me to make a precise determination, Mr. Chairman. I know, having worked myself in Social Services some years ago in Delaware, that I got to know people in other States, and in other localities around our State. The need varied substantially from place to place, depending on, for example, whether or not the Salvation Army or churches could handle the emergency situations. And I think those situations can vary substantially from area to area. So for that reason, it is difficult for me to make a determination.

Mr. WEISS. Among the States that do not participate are Colorado, Connecticut, Louisiana, Kentucky, South Carolina, Tennessee, Arizona, and Utah. The major cities in each of those States reported increases in the number of homeless families to the U.S. Conference of Mayors Task Force on Homelessness and Hunger.

We had occasion, as a subcommittee, to make a field visit to Arizona last December and the situation there was as bad as anything that exists in the country. In Phoenix, the private or nongovernmental agencies were just being overwhelmed. The city itself had sort of institutionalized what they called an outdoor shelter, which was nothing but, in essence, a parking lot which had what they called ramadas, which are these sort of flat tabletop things with spindly legs and people living and sleeping on the ground.

Arizona is supposed to be warm in winter. Well, it was not. It was very bitter, damp, cold weather. So, certainly it is not because they do not have the problem or that there are sufficient resources for them to deal with the problem adequately.

So I was just wondering whether, in fact, your department has undertaken any kind of survey to indicate why it would be that roughly half the jurisdictions are participating and the other half ignore the availability of a program which, admittedly, would cost them some money because 50 percent of the costs, as you say, have to come from the States and the counties? But nonetheless, 50 percent of the costs would still be picked up by the Federal Government.

But you have no statistics or surveys on that?

Ms. Ross. Mr. Chairman, we have not undertaken any surveys. I would like to point out that I do have regional staff in each of the 10 HHS regions who meet on a regular basis with the directors of AFDC and comparable social service programs from all the States. I rely basically on the regional staff to let me know if the States are raising any kind of concern about why they have not opted into the Emergency Assistance Program.

But we have not undertaken any specific study; no, sir.

Mr. WEISS. And I know it is not your role to advocate that States participate in a Federal program. It would seem that they would search out programs that are available and would have the talent and the resources to do that outreach on their own. I cannot say that that is your responsibility to let them know that. In fact, there is a pool of Federal money or a Federal program available for a very real need.

Ms. Ross. Mr. Chairman, in those quarterly regional meetings that take place—these meetings are between my regional administrator and the person who is comparable to the Secretary of Health and Human Services at the State level—if a State indicated they were having problems, my regional staff, of course, would make it known. There is certainly no attempt not to make known the various services available through EA as well as the AFDC Program.

We leave it up to the States to make the determination about whether they choose the option, but we certainly try to make sure all the States are aware of the various things that can be provided for by the Federal Government.

Mr. WEISS. I am sure that you noted before, and I referred to it in my opening statement, the OMB Director's disclaimer of Federal responsibility for the problem of homelessness. The very existence of the Emergency Assistance for Families Program indicates that, indeed—and as you have indicated in your testimony, there is a Federal program and a Federal responsibility—at least in emergency situations—for families which find themselves either homeless or in danger of becoming homeless.

And I wonder whether, in fact, you have had occasion to communicate with the Office of Management and Budget Director to advise him that perhaps he ought to have substantive discussions with people who are in charge of substantive programs.

Ms. ROSS. Mr. Chairman, quite frankly, until I heard your opening statement this morning, I was not aware of Mr. Miller's statement in that regard. I was aware that we have the Emergency Assistance Program, which is there for States who want to use it to provide shelter for homeless families and assistance for other emergency situations.

I am also aware of other activities going on within the Social Security Administration. For example, I know Social Security district offices have been directed to provide outreach activities in shelters, to make sure that any of the individuals residing in shelters who would be eligible for supplemental security income benefits are registered to receive it.

So I know these kinds of things are going on within the Social Security Administration, of which I am a part.

Mr. WEISS. Well, I will be pleased to forward you a copy of the story in the Washington Post, where the OMB Director was quoted,

and perhaps you can get a reaction from him, or advise him as to what your agency, in fact, is already doing.

How many individuals does the Emergency Assistance for Families Program serve each month?

Ms. Ross. The average monthly caseload for fiscal year 1985 was around 33,000 families, I believe. It was approximately 30,000 the year before that and around 29,000 prior to that. Was that the question, sir?

Mr. WEISS. Those are 33,000 people? Is that what you—on an annual basis?

Ms. Ross. The average monthly number of families being served is 33,000.

Mr. WEISS. 33,000 families?

Ms. Ross. Yes, sir. And it is difficult to annualize that figure because we do not have information about how many of those 33,000 families are receiving assistance for 1 month, 2 months, or 3 months. So there would be some duplication there if we simply multiplied 12 times 33,000 to come up with the number of families served annually.

Mr. WEISS. And on a monthly basis, as far as individuals are concerned, if you multiplied that 33,000 by say an average of 4, you are talking about over 120,000 people?

Ms. Ross. Probably. I do not know that the average family size in every State is four. I know in some States it is around 3.6. I could check and see if we have the figure to submit for the record. But three to four is probably the correct figure.

Mr. WEISS. Now the administration, at least HUD, contends that there are between 350,000 and 450,000 homeless Americans, but the numbers that your agency has compiled indicate that the overall homeless population could be conservatively 1.2 million people.

Do you know if anyone in the administration has examined the Emergency Assistance for Families figures to determine the size of the homeless population? Were you consulted when HUD was making its compilation as to its estimate of the number of homeless people?

Ms. Ross. I do not know that we were consulted. Members of my staff may have been. I could certainly find that out and let you know. I know in this whole area, in terms of trying to identify the numbers of homeless families and to figure out the proportions of the homeless problem, that there has been a great deal of controversy about the numbers. The estimates have ranged anywhere from 250,000 to 350,000 in the first HUD report to as many as 2 million or so, depending on which numbers one looks at and where they came from.

Mr. WEISS. You might be able to make a very important contribution, in your capacity as Commissioner if, in fact, you were to take the existing statistics that you have for the States that do participate and sort of extrapolate from that to the States that do not participate and try to come up with your agency's estimate as to what the total number of homeless people may be in the country.

We have been getting all kinds of confusing and low balling kind of figures and you could be making a contribution.

Ms. Ross. Mr. Chairman, recognizing your interest in this area, we would obviously be happy to pursue that kind of an activity and

try to make whatever information we have available and to do that kind of extrapolation.

I would point out that it would take a little longer than one would normally think because all the people receiving emergency assistance are not necessarily homeless. We do not have information about how many of the people who received EA from the States are homeless, versus how many received it for a medical or other type of emergency. But we would certainly be willing to attempt to do whatever you need.

Mr. WEISS. Good. Thank you.

According to the statistics that your office provided to the subcommittee, the number of families served by some States is not commensurate with the magnitude of their homeless problem. For example, in 1985, California—which, along with New York, has the largest homeless population—served an average of 724 families a month with the EF funds.

Yet States with much smaller homeless populations, such as Maryland, Massachusetts, and Michigan, provided assistance to an average of 3,100 to 4,500 family cases a month. Can you explain the discrepancy between the relatively small number in a place like California and the relatively large number in a State like Maryland and Massachusetts or Michigan?

Ms. Ross. Mr. Chairman, I cannot give you the specifics in those States except to tell you what I do know about California. Generally, those kinds of variances are attributable to the kinds of services that the State chooses to offer. The State of California, for example, offers emergency assistance services for basically two categories of people. First, to people who have no recent attachment to the work force, or who have lost their job within the last 30 days and, second, the State provides services that deal largely with precluding immediate danger for children, based on abuse and neglect.

We believe that a substantial portion of the California funds are used for children in foster homes who have either run away or ended up being unable to be cared for, for whatever reason, in their own homes. We believe that a substantial part of the California expenditure goes to that particular category of recipients.

Mr. WEISS. And it also depends on the eligibility criteria that the States adopt, since it is their criteria which determines who does or does not qualify for the program. Is that not correct?

Ms. Ross. That is correct—within the Federal guidelines that I did not read today, but that were included in my written testimony.

Mr. WEISS. Given the policies of the administration—that is, the Reagan administration—would you consider one of the responsibilities of your office to encourage the stability of families and to discourage the breakup of the family structure?

Ms. Ross. Sir, being the Associate Commissioner for Family Assistance, we certainly see the programs that we operate as providing a means for helping families and providing support to families.

Mr. WEISS. But you know, in some instances, the Emergency Assistance for Families Program has been used—not that it has been encouraged by your office—but it has been used to, in essence, break up families. According to the regulations of the State of California, emergency shelter care under the EAF Program is provided

only for a child who must be immediately removed from his or her home or current foster care placement. Funds for EAF are only used in California for children who are taken from their parents. Are you aware of that?

Ms. Ross. It is not, I do not believe, solely for children who are taken from their parents. That is what I was trying to explain, in terms of the homes or the shelters for children who are runaways. As you are aware, there has been—over the past decade or so—an increase in the number of teenagers who have left home for varying reasons.

I believe that the Emergency Assistance Program in California is also used for those children as well. But you are absolutely right, Mr. Chairman. Assistance is also provided for children in the situation you mentioned.

Mr. Weiss. In California, the EAF funds cannot go to families—to children who are with their families. They can only be used for the benefit of children who are not with their families.

Ms. Ross. Assistance can be provided in the case of an individual or a family when, for example, either the father has lost his job within 30 days or if the father has no recent attachment to the work force. California will provide emergency assistance in those cases. There is no preclusion, to my knowledge, that intact families cannot receive assistance. In fact, EA is to help precisely the family.

Mr. Weiss. Well, when we were holding our hearings in Los Angeles, we were getting reports of cases where families had traveled out West because they felt that they had a better chance of getting a job. They would run out of money, would start living in their cars, and would then be faced with this awful dilemma that if they went to the welfare office and sought emergency assistance, and they had children, they would be told in essence that the only way that they could get assistance for their kids was if, in fact, they turned their children over to the State department of welfare for care.

That just seems, to me, to run counter not only to common sense and decency, but to the programs and concern which your administration has for keeping families together.

Ms. Ross. Mr. Chairman, that is not my understanding of what is happening in California, but, obviously, it is something that I would be interested in finding out about. My understanding of the situation is as I explained.

Mr. Weiss. Well, we would appreciate your following up on that, because it is really an awful dilemma to put families into, of either not caring for their kids or, if they do, being told that the only way that they can get assistance is if they voluntarily give up the children.

Ms. Ross. The other point I might make is that I do not know how recent an occurrence that situation is but the State of California did not participate in emergency assistance until 1982. I do not know if it is possible that the situation you described happened before then.

Mr. Weiss. No, no. We were out there last year, 1984. December of 1984.

Do the regulations for the Emergency Assistance to Families Program set any minimum eligibility requirements or require any types of minimum standards for States to follow in implementing emergency assistance?

Ms. Ross. There are the Federal eligibility requirements that I referred to in my written statement. Perhaps I should review those for a moment.

Mr. Weiss. Please.

Ms. Ross. Assistance is available to a needy child and other members of the household in which that child is living. The child on whose behalf the emergency assistance is provided must live with an appropriate relative—or at least 6 months prior to applying for the emergency assistance, must have lived with an appropriate relative. The assistance must be necessary to meet an immediate emergency that could not otherwise be met through other programs or existing resources. Other eligibility conditions are imposed by the State for the receipt of emergency assistance and may be broader than those applicable to the Aid to Families with Dependent Children Program.

The Federal guidelines also provide that emergency assistance cannot be given if the parent or caretaker relative is in the emergency situation because he or she refused or quit a job.

Mr. Weiss. Now how about minimum standards? Not the eligibility requirement, but do you follow up on the standards which the States set, in following or implementing emergency assistance?

Ms. Ross. First, the States have to let us know if they are going to undertake and participate in the Emergency Assistance Program. If they are, they let us know what kinds of emergencies they are going to be covering. For example, if they are going to cover migrant families, if they are going to provide temporary medical assistance or shelter assistance or food.

In addition, our regional office staff do program reviews on a regular basis. Also, our financial management staff do quarterly reviews of expenditures.

Mr. Weiss. Before a State can be eligible for EAF, it must include emergency assistance in its public assistance plan and that plan must be approved by HHS; is that correct?

Ms. Ross. That is correct.

Mr. Weiss. It is the States then, again, not HHS which set the eligibility and assistance criteria for emergency aid?

Ms. Ross. That is correct. However, we do set the basic criteria.

Mr. Weiss. You or the State?

Ms. Ross. We set the basic criteria, as I described earlier, and then the States have flexibility to determine any additional eligibility requirements.

Mr. Weiss. Again, we have a divergence of view. My understanding is that it is the States which set the eligibility and assistance criteria. You simply review those. You do not set the criteria yourselves.

Ms. Ross. Mr. Chairman, it depends on what the definition of criteria is, for these purposes. Let me see if I understand what you are asking me.

Minimum eligibility criteria, for example, a child must be living with a family in order for the family to receive assistance, are provided for in the Federal guidelines.

Beyond that, you are absolutely correct. The State has flexibility to determine additional eligibility criteria as well as the kinds of services that it is going to provide.

Mr. WEISS. But once HHS approves a State plan, which includes emergency assistance, is that State then required, by law, to provide emergency assistance to all families who meet the State's eligibility criteria?

Ms. ROSS. Yes. When a State has a State plan that sets forth the eligibility criteria, it then becomes a State requirement.

Mr. WEISS. Do you know whether, in fact, all States participating in the Emergency Assistance to Families Program provide shelter to every homeless family within their jurisdictions?

Ms. ROSS. We know, sir, that 26 States have specific provisions in their State plan to provide shelter services.

Mr. WEISS. Do you audit or monitor the work of the State agencies?

Ms. ROSS. Yes, sir; we do. We do that in two ways. First, we have quarterly reviews, done at the State level by our financial management staff. Second, we have program reviews that are conducted on an ongoing basis by our program staff. Based upon the Financial Operations Manual that we just issued, the regional offices will be doing periodic and very comprehensive reviews of the entire program.

Mr. WEISS. Well, in the last 5 years, how many audits has HHS conducted of the use of funds by the EAF programs in each State?

Ms. ROSS. Before I go on, let me clarify the word "audit," Mr. Chairman, because these are not audits in the traditional sense, such as an inspector general audit, although we do have some of those activities going on in some States. In terms of financial management reviews, I do not have figures for the last 5 years with me, but I know in the last 2 years we have done 44 reviews.

Mr. WEISS. Well, tell me what kind of audits those were? What were those that you did? Describe them again for me.

Ms. ROSS. Every month the financial management staff goes out and takes a look at the expenditures the State is claiming for emergency assistance, looking for irregularities or problems.

In addition, the regional office program policy staff does a program review and looks at what the State has done in its Emergency Assistance Program, and whether it comports with Federal requirements and the State plan.

I would be happy to provide details on that, for the record, if the chairman is interested.

Mr. WEISS. Well, my understanding is that HHS regs require—and this is title 45 United States Code of Federal Regulations, section 201.12—that the operations of State agencies be audited—not as a term of art—but be audited to determine if Federal funds are being used in a prudent manner and are properly expended.

On February 11, 1986, the subcommittee requested all financial audits of the EAF Program from January 1, 1981, to the present. HHS responded to us that, "No financial audits have been conducted during this time period."

Now, please, reconcile that statement to us with your statement that you have conducted 44—whatever it was that you conducted.

Ms. Ross. Financial management——

Mr. Weiss. Well, how do you distinguish that from audits? Are you not required, in fact, under the regulations to conduct audits?

Ms. Ross. Mr. Chairman, we would not necessarily be the people who would conduct the audits. As you are aware under the Single State Audit Act, for example, all of the program audits can be done together by a separate agency within the State.

An accounting audit is done on a regular basis looking at State expenditures. I was just trying to draw the distinction between the kind of review we do and what one formally thinks of as an inspector general audit or Comptroller General audit.

Mr. Weiss. Do you have any of your technical people with you? Is there anyone who can address this specific issue?

Ms. Ross. I might have one financial management staff person here, if you can hold on 1 minute.

Mr. Weiss. Well, we are going to go and vote. There is a vote on the floor at this point. We will be back within 10 minutes, and I really want to explore this because there is a discrepancy as to definition and as to your requirements and as to what, in fact, we were told has been done and what you are telling us was done.

So we will pick that up when we return.

The subcommittee now stands in recess for 10 minutes.

[Recess taken.]

Mr. Weiss. The subcommittee is back in session.

Commissioner, would you pick up exactly where we left off and try to reconcile for me the response that we had gotten, as of February 11, on financial audits and what, in fact, you are doing?

Ms. Ross. Yes, Mr. Chairman; as I was explaining, the financial management reviews that we conduct are not audits, per se. That was the distinction I made.

Mr. Weiss. What are they?

Ms. Ross. They are a review of expenditures. The quarterly reviews that the financial staff does are a review of the expenditures that the States have claimed, to make sure that the claims were, in fact, paid.

We also have program reviews which look more at policy and compliance as opposed to financial management aspects of the program.

Mr. Weiss. There is no question but that the regulations require full-scale audits; is that not correct?

Ms. Ross. Mr. Chairman, I was getting to that.

As I mentioned before we took the break, under the Single State Audit Act, passed in 1984, States will be doing audits of emergency assistance together with audits of other programs in one single State audit.

Prior to that act, this same requirement existed, in effect, in OMB Circular A-102, which required States every 2 years to do an audit of all the government programs in the State. There is normally a cognizant agency that is designated in a particular State.

We would not get copies of those audits, Mr. Chairman, unless some sort of problem were identified in our particular program. Otherwise, those results do not come back to the Federal program

office. They would be submitted to the inspector general's office. They are not done specifically as a review of one particular program but encompass a review of many programs. That is the review that meets the audit requirement that we have in the statute and regulation.

Mr. WEISS. I must tell you, either I am misreading or we have a different understanding as to what the requirements of the regulations are.

It says that in order to provide—and I am reading from section 201.10:

> The basis for determining that State agencies are adhering to Federal requirements and to the substantive legal and administrative provisions of their approved plans, the Service conducts a review of State and local public assistance administration. Each State agency is required to carry out continuing quality control annually or with such frequency as are considered necessary and appropriate. The operations of the State agency are ordered, by representatives of the audit agency of the department.

That is still current law. I do not know how you can say that the States can do that on their own and then you do not even look at the State audits unless something unusual comes to your attention.

The purpose of audits is to, in fact, uncover whether there is anything unusual that is happening.

Ms. ROSS. Correct. In the case of my office, Mr. Chairman, the inspector general's office would be the office that would be responsible for that. I would be happy to get a copy of the A-102 circular that was in effect until 1984, the single State audit requirement, and whatever other information the chairman would so desire to submit for the record.

Mr. WEISS. Well, we are going to ask you specific questions and request specific responses, because I think that the Department has really been avoiding what its own regulations require it to do.

Ms. ROSS. Mr. Chairman, I would like to point out that as a result of the financial management reviews that we have conducted in the Emergency Assistance Program, we have identified amounts that we have disallowed States because we identified funds that were spent improperly.

So, the fact that we do not do a formal audit, does not preclude us from monitoring program expenditures and ensuring that funds are spent in the way they should be spent. We do engage in those kinds of reviews.

I believe that we have provided the chairman with information on the disallowance activities we have undertaken.

Mr. WEISS. Do you think that funds under this program are spent wisely and prudently, as required by the HHS regulation?

Ms. ROSS. As I indicated earlier, the States have a lot of flexibility within the Federal parameters as to what kinds of services they are going to provide.

Mr. WEISS. Are you aware that Washington, DC is paying as much as $3,400 a month to house one family in a single room in a welfare hotel?

Ms. ROSS. I was not aware of a particular amount, but I do know that in some parts of the country——

Mr. WEISS. $3,400 a month for a family in a single room.

Ms. Ross. In some parts of the country, based on the housing shortage and the need for temporary shelter, it is sometimes necessary to put people in hotels. When one looks at the issue of costs, some States do have caps on the amount that they will pay. For example, one State sets the cap at, I believe, $16 for one person and then $11 for each additional person. When you apply that to say, the average family of three or four that we talked about earlier, and you multiply by 30 days, the cost can get very high.

Mr. Weiss. Do you know that New York City is using EAF funds to pay as much as $3,000 a month to house individual families in one room in welfare hotels?

Ms. Ross. Again, Mr. Chairman, my response would be the same. It can be very costly to meet an immediate crisis situation. States do have the ability to do that under the program.

Mr. Weiss. Are you aware that in some of these hotels where families with children are housed, prostitution and illegal drug dealing are taking place?

Ms. Ross. Mr. Chairman, I am aware—based on what I have read in the newspaper—that there are problems in some of the places where people are being housed. I am also aware that some States have taken action to no longer allow people to be housed in certain facilities because of the health and safety problems they have found.

Mr. Weiss. Do you consider these examples prudent use of funds?

Ms. Ross. Mr. Chairman, I think the thing that is important to point out is that, again, in some instances I am aware of, States have said that funds can no longer be used for the purpose of providing temporary housing in particular facilities because of those types of problems. I think the States are making an effort to respond and to administer the program responsibly.

Mr. Weiss. So, that what you are telling us is that you found that moderately priced emergency shelter—not to mention low-income housing—is simply not available in certain areas of the country and that is why the States and localities are using these very expensive facilities. That is, expensive in cost, but not expensive as far as the quality of the housing provided.

Ms. Ross. We would assume—from reading about the issue in the media and also testimony I have read from your previous hearings—that States have resorted to whatever means are necessary in a particular location.

In some parts of the country they are able to deal with the situation without having to put someone in a hotel. Or maybe they can put someone in a hotel for a very short period of time, for a day or two, because the housing vacancy rate is higher, and, therefore, it is easier to find permanent shelter for the families.

I do know that, in some cases, the situation is such that States have no choice but to use the hotels.

Mr. Weiss. Under HHS regulations, can EAF funds be used to renovate existing buildings, to be used as family shelter, purchase buildings to be used for shelter, or construct buildings to be used for shelter?

Ms. Ross. Mr. Chairman, it is my understanding that unless it is specifically stated in the statute that Federal funds can be used for that purpose, there is a general governmentwide prohibition his-

torically on using Federal funds for construction and renovation activities.

That is an issue that I have discussed with lawyers. We had a similar question come up in the AFDC Program a couple of years ago. The determination was that we could not use Federal funds for construction unless it specifically says in the statute that authorizes the program that it is an allowable expenditure.

We do not have that kind of provision in our statute.

Mr. WEISS. So, although you could use the money much more effectively by allowing it to be used for rehabilitation or renovation or reconstruction, rather than paying these outrageous rentals for awful housing, the governmentwide policy prohibits the use of moneys for that purpose? Is that what you are telling us?

Ms. ROSS. It is not a governmentwide policy. I believe it is a governmentwide prohibition from Congress. It is not a new policy. I would be happy to try to find the basis for that.

Mr. WEISS. Would you? I would appreciate you giving us a specific section of the Social Security Act or any other statute, for that matter, that prohibits the use of EAF for construction, purchase or renovation of buildings.

My understanding is the applicable section is section 406(e)(1) which states that emergency assistance is "payments, care, or services involved [that] are necessary to avoid destitution of such child or to provide living arrangements in a home for such child . . ." And that the act also authorizes payments for "such services as may be specified by the Secretary; but only with respect to a State whose State plan approved under section 402 includes provision for such assistance."

But we cannot find anything in the act, or in the regulation, that directly prohibits State plans authorizing the use of funds for construction, renovation, or purchase of shelter.

Ms. ROSS. I do not believe it is necessarily in our statute, Mr. Chairman, but I would be happy to talk to our general counsel and see what I can come up with for you on that.

Mr. WEISS. Thank you.

[The information follows:]

The Comptroller General issued opinions in 1984 and 1960 affirming the general rule that Federal funds may not be used for construction in the absence of a specific statutory authority (39 Comp. Gen. 784 (1960) and 27 Comp. Gen. 634 (1948)). We believe this rule would prohibit the use of emergency assistance for the construction of family shelters.

Mr. WEISS. If a State authorized construction of family shelter, as part of emergency assistance in its public assistance plan, would HHS then approve the plan? From what you are telling me, they would not.

Ms. ROSS. We would not be able to, according to my current understanding, Mr. Chairman.

Mr. WEISS. If you are aware that adequate shelter does not exist in certain States but you are prohibited from EAF funds being used to obtain shelter, how then do you expect EAF to be used to provide safe shelter to homeless families?

Ms. ROSS. As I have indicated, States are doing a number of things. There are preventive things they can do, such as those that the mayor was speaking about earlier today. For example, States

can pay for delinquent fuel bills or for delinquent rental bills, to prevent eviction.

The mayor indicated that prevention is important. The situation does arise in which the family could be evicted if something is not done. The example I gave in my testimony was of a furnace breaking down. If the family is unable to pay to replace the furnace, the result may be that they have to leave their residence because they do not have heat. Those are some of the kinds of things that emergency assistance can do to prevent homelessness.

Mr. WEISS. As I indicated in one of my prior questions, the HHS regulations require that the States have a continuing system of quality control for assuring that assistance is furnished in accordance with permissible State practice. Do you know if the States comply with this regulation for quality control?

Ms. ROSS. There is no quality control requirement for the Emergency Assistance Program. May I take a moment to explain why?

Mr. WEISS. Please.

Ms. ROSS. The quality control system that is operated under the AFDC Program is based on statistics, drawing a statistically valid sample from which we can make the determinations about error rates. It would be statistically unreliable to simply include EA as part of the AFDC quality control effort.

The emergency assistance caseload is so small, relative to the AFDC caseload, that you would not necessarily get enough emergency assistance cases in a sample. For example, the maximum sample size in AFDC quality control is 2,400 cases a year. That would reflect what is happening in the AFDC Program, but for emergency assistance purposes, there might be only one or two—maybe not even that many—emergency assistance cases in that sample.

Since quality control would not be reliable based on such a potentially small sample of EA cases, we decided that it was best not to use quality control for emergency assistance. Rather we would use our financial management reviews and our program reviews which, as I have indicated, have uncovered problems where we have, in fact, proceeded with disallowances.

Mr. WEISS. Well, again, I must tell you the regulations seem to be fairly clear that you have to have a continuing system of quality control for assuring that assistance is furnished in accordance with permissible State practice. I am not sure that I really understand all of the statistical references that you just made because, again, if you address it only to the Emergency Assistance for Families Program, then I think you would have a large enough sample, because that would be the sample that you would be using.

Ms. ROSS. Mr. Chairman, this is the decision, as I understand it, that was made some time ago about why EA was not included in the AFDC quality control system, based on my knowledge of the quality control system in AFDC. I think it would be a burdensome requirement for a program that small.

I also think that it is possible that imposing a quality control system on States, as opposed to doing the program and financial management reviews that we do, could possibly discourage States from taking up the Emergency Assistance Program as an option.

Mr. WEISS. But you had said earlier that there was something like 33,000 families that were in this program and you acknowledged the terrible conditions under which some families are housed under this program.

Now it seems to me that the reason that that kind of regulation is adopted to begin with is to provide some assurance that taxpayers' funds are being expended to provide decent shelter. And I do not know how you can walk away from that requirement on the premise that States then would not participate in the program if you enforced your own regulations.

Ms. ROSS. Mr. Chairman, I would like to clarify something. When we look at what quality control means, in the AFDC Program, a quality control system in the Emergency Assistance Program would focus on whether, in fact, the payments that are made under the Emergency Assistance Program are made correctly. For example, whether payments are made to individuals who are eligible or whether they fall within whatever limitations the State has specified in its plan.

Those are the types of things that are looked at under a quality control review. They are basically the same things we look at under financial management and program policy compliance reviews.

In terms of——

Mr. WEISS. Are you telling us that quality control is the same as financial audit reviews?

Ms. ROSS. What I was trying to do is explain that the kinds of factors that come into play in a quality control system are the same kinds of things we would look at in a financial management review. We are looking——

Mr. WEISS. So you are not looking at the quality of the housing, the quality of the services, the quality of the conditions? You are looking at whether, in fact, payment is made to the appropriate parties at the appropriate levels? Is that what you are telling us?

Ms. ROSS. Determinations about quality of service, and those other issues you have mentioned, are within the purview of the State to monitor and make those determinations. Our quality control review and our financial audits would not look at those kinds of factors.

For one thing, it would be extremely difficult for a relatively small Federal program—like emergency assistance—to know the situation in every local facility in which homeless people are being housed. I am sure, as we rely on the State government, the State relies on the city and the county government and municipalities to keep it informed about problems in the shelter.

Mr. WEISS. You told us before that you have regional staff and regional offices who meet with the various providers, at least the State and local office providers.

Ms. ROSS. They meet with the State and county staff, Mr. Chairman.

Mr. WEISS. Right; so why would it be such an unreasonable and burdensome kind of requirement that those regional people insist that there be some quality controls maintained, that at least they review the quality of the housing that is provided by approximately $81 million of Federal funds a year?

Ms. Ross. I would like to point out that not all of the $81 million goes to housing or to deal with problems of the homeless. As I have said before, we do not know the precise portion of the $81 million that goes for housing. It is also used for other kinds of emergency situations.

My regional staff is not skilled and knowledgeable in the area of making determinations based on health and safety codes. Those are largely local determinations. It is my understanding that cities and counties determine the codes that govern when a building is OK for people to live in and when it is not. Since the local jurisdiction sets the policy as to what kind of space there must be, what kinds of wiring for safety reasons is necessary to prevent fires, firewalls, and what kind of bathroom facilities must be available per number of people, and so forth.

It seems reasonable to assume that those local monitoring agencies would discover those types of problems for any building that is in a state of severe disrepair and take action. It would come through that channel and eventually reach the State.

Mr. WEISS. Let me yield, at this time, to our distinguished colleague from Michigan, Mr. Conyers.

Mr. CONYERS. Thank you, Mr. Chairman.

I know it has been a long morning, Ms. Ross. I have relatively few questions.

Let us focus on Harlem in New York, where the Light Guard Armory on Fifth Avenue is located and where homeless families and people are being put out on the streets. What they have done is taken a tennis facility within the armory and cordoned half of it off. Now, the people are living on four tennis courts in one big camp. Men, women, children, people from the streets who were not evicted or forced from jobs, but street people, families are here.

So what we have done, in a sense, is jumped from the frying pan into the fire. And I wanted to find out if you are aware of that situation and how we can handle it?

Ms. Ross. Mr. Conyers, I certainly am aware of the fact that in New York City the problem is probably much greater than it is any other place in the country, due to the large population and the tremendous housing shortage for low-income people, in particular, in New York. The whole situation in New York has gotten a lot of media attention in recent months, particularly in the last year or so.

I am also aware that Governor Cuomo and Mayor Koch recently announced—I think it was about 1 month ago—that they have gotten together a group of concerned individuals, bankers, developers, and contractors. They have made arrangements now for the city to condemn buildings, and give the buildings to private, nonprofit organizations that will then get low-interest loans in order to either rehabilitate or construct new facilities.

Unfortunately, sometimes problems like these are things that take time to resolve. The problem is as complex as the reasons why we have homeless people. As you point out, some of the people are so-called street people or people who have had problems with alcohol or drug abuse. Families are, of course, the portion of that population that we are particularly concerned with and discussing here today.

It was a complex set of factors that caused those families to be in that situation, whether it was the loss of a job, desertion, abandonment, some kind of illness, any number of problems. I think the kind of thing that the State and city of New York have been able to do—to get private people involved as well as the State and local governments working together—is the kind of thing that is going to help take care of the problem over the long term.

Certainly, no one is happy or pleased. I think people are very distressed to see people living in the kinds of conditions that you explain and depict. I was not aware of that particular situation.

But I think, unfortunately, right now it is a stopgap. It is someplace for the people to be, as opposed to having no place. I think what is important to recognize is that people across the country in places where they have severe problems—and New York is clearly more severe I think than anyplace else in the Nation—are working and trying to solve the problem. I think they are using every bit of creative energy and mental resources they have got to try to come up with solutions like the one that I recently read about.

Mr. CONYERS. Could you monitor that situation for me and keep me apprised of its progress?

Ms. ROSS. In terms of New York's new program?

Mr. CONYERS. Yes.

Ms. ROSS. I do not have any authority to monitor it, but I assure you that I will be following it with great interest myself because I am anxious to see how the program does. I am sure that, through discussions with my regional staff, and their discussions with the State and the local staff in New York, we can keep up on what is happening with that program.

Mr. CONYERS. Do you have any responsibility in that area?

Ms. ROSS. For that particular program, I do not. I do not know exactly how they intend to place people in the facilities. Once they place them, after the facilities are renovated, they could use emergency assistance to pay for the facility or to pay for other services for people who are in those facilities.

So we may well get involved to some extent. I would anticipate they would use emergency assistance funds.

Mr. CONYERS. Well, who in the New York area would have primary responsibility in this area?

Ms. ROSS. I am sorry, Mr. Conyers?

Mr. CONYERS. Who works under you in New York?

Ms. ROSS. Ann Schreiber is my regional administrator in New York.

Mr. CONYERS. So she would be knowledgeable about the week-to-week developments of it?

Ms. ROSS. I will make sure that she finds out what is going on, from the State and city. As I said, I am very interested in it. I thought it was a very good project and a worthy one. It seemed like it brought together a lot of important elements that would help to reach solutions for resolving the homeless problem.

Mr. CONYERS. When she brings you up online, will you bring me up online?

Ms. ROSS. I certainly will.

Mr. CONYERS. That is great.

Let me ask you now about one of the problems that involve this matter. What they have been telling me is that, first, we have got a real mix of citizens in there, and, in some instances, it has been an explosive mix. Two, they are living in the common courts, so that these are not apartments or rooms, but rather resemble an indoor camp. One of the primary concerns relates to the spread of disease, that if somebody caught anything, it could spread exponentially in a short period of time, particularly because of their poor health in the first place.

So, there are many problems related to this which I would like to explore as carefully as your people in New York would be able to help me do that.

Ms. Ross. Yes; I would think also, from the health standpoint, that some of the public health service programs in the city of New York, might be getting involved, from that standpoint, in terms of the concern about what happens if a contagious infection should hit someone or some group of individuals in the shelter.

Mr. CONYERS. There are a number of overlapping jurisdictions. Yours is just one of them. Obviously, the mayor and city agencies have the prime responsibility but a lot of people are trying to help do something there.

Turning to another part of the country, the area which I represent, could you provide a brief update on the situation of homelessness and homeless families in Michigan and in Wayne County and in Detroit and in Highland Park?

Ms. Ross. I don't have specific numbers, Mr. Chairman. What I could do, Mr. Conyers, is to find out how many people in Michigan were receiving emergency assistance on a monthly basis, and then I could also provide to you the specific kinds of emergencies that the State of Michigan responds to, if that would be helpful.

Mr. CONYERS. It would be very helpful. Specifically, what I would be looking for is the homeless situation, the numbers of individuals and families in this despondent category, their circumstances, State and local policies in response, and possible Federal remedies to alleviate the worsening problem.

Ms. Ross. In terms of the homeless, I can provide information on emergency assistance and what kinds of services are being offered through our program, but in terms of the number of homeless, I rely on surveys that have been done by other people, including the Conference of Mayors' survey and various others. As the chairman and I discussed earlier, there has been some controversy about exactly which numbers are reflective of the situation.

Whatever information I have from other surveys, I would be happy to provide you. It would not be our information and it would not all necessarily be the same. There would be contradictory information since different surveys have shown different situations.

Mr. CONYERS. We are used to that.

[The information follows:]

Michigan's average monthly caseload for emergency assistance was 4,211 in fiscal year 1985.

The types of emergencies covered by Michigan in its Emergency Assistance Program include: emergency food needs related to delays in receiving public assistance, theft, vandalism, a lost check, or a catastrophic event; pending eviction, foreclosure, or forfeiture of a home; medical emergencies of migrants; catastrophic events which destroy a home, clothing, basic household furnishings or appliances; lack of heating

fuel and utilities; lack of shelter related to the return of children from foster care; theft or vandalism of refrigerators, stoves, and washing machines; and appliance breakdown.

Mr. CONYERS. I should mention with respect to Harlem that Congressman Rangel, who represents that district, visited there Thursday night and left in a state of shock. He is trying to get to these hearings right now. His staff person is or will be present. But he is joining us in the concern over this situation.

Now, finally, how would you describe for me the Federal Government's role, or lack thereof, in this general subject matter?

Ms. ROSS. The Federal Government's role, and the purpose of emergency assistance, as we see it, is to provide broad parameters to the States in order to allow States the flexibility to respond to a crisis situation. As I indicated in my testimony, the reason Congress created the Emergency Assistance Program is because processing times in AFDC, and similar kinds of requirements, precluded programs like AFDC from responding to emergencies. The program could not respond on a very timely basis. That is why Congress created EA. So, we see the Federal role as ensuring that States have that kind of flexibility.

Mr. CONYERS. What kind of flexibility?

Ms. ROSS. The flexibility to respond timely. In other words, not so many prescriptive Federal requirements that the States are unable to deal with a situation that may be very specific.

Mr. CONYERS. And we help in that flexibility by doing what?

Ms. ROSS. By not setting a lot of requirements at the Federal level. By allowing States to decide what kinds of situations they are going to cover and under what circumstances.

Mr. CONYERS. And that comes out of your shop?

Ms. ROSS. The fact that we allow the flexibility, yes. We leave a lot of discretion to the States in making those determinations. At the same time, emergency assistance based upon the statute and regulations was clearly intended for an emergency situation. So, I see the Federal role as being one of allowing States flexibility to meet a particular crisis, but at the same time maintaining the temporary nature of the program.

Mr. CONYERS. Who are the State people in your department in Michigan?

Ms. ROSS. In Michigan, Dr. Mansour is the head of the agency that we work with.

Mr. CONYERS. Yes; she is head of the State agency.

Ms. ROSS. Yes; oh, you mean the Federal person?

Mr. CONYERS. Yes; don't you have a Federal person?

Ms. ROSS. Yes; Kay Willmoth is the Regional Administrator for Family Assistance in Chicago, which is region V, which covers Michigan.

Mr. CONYERS. I know we are a small outpost in the Midwest. Is there a Detroit person?

Ms. ROSS. No, sir; there is not a Detroit staff person. We have what we call a State program specialist that would be assigned specifically to the State of Michigan, and I could get that person's name for you. That person would be the person who would track what is going on in Michigan for Ms. Willmoth. I could provide that for the record.

Mr. CONYERS. Thank you so much.

[The information follows:]

Kay Willmoth serves as the Regional Administrator for Region V. Her staff specialist on Michigan is Lois Foster.

Mr. CONYERS. Thank you, Mr. Chairman, once again for the leadership that you continue to demonstrate in this and other areas of our committee's responsibility.

Mr. WEISS. Thank you very much, Mr. Conyers.

Commissioner, let me just assure you that although I believe that you are probably not an engineer, if you were to walk into one of these hotels to which families are sent in New York, the Martinique or the Holland, you or your representatives would very quickly be able to determine that those facilities are not the kind of places that children and mothers with children ought to be sent. So, you don't really need people who have tremendous amounts of expertise to know that the conditions are not safe or sanitary, that the ambience is just not appropriate. You would spot that immediately, just as a citizen, never mind as the Commissioner of your agency.

So, I think that it might be helpful for you to either take some of those visits or ask your people in the various regions around the country to take a look at some of these facilities which have been in the public print for years and years and years. I think it might be an eye opener for you and for them, and might, in fact, encourage you to insist that these Federal moneys that are spent be spent for facilities that do not outrage common decency.

The other thing that I think you might want to review is your thinking that New York may have the most serious problems. New York has terrible problems, but what you get as you go around the country is the clear indication that every locality of any size has its own horror story, and they may vary in specifics, but the overall conditions are horrendous no matter where you go, whether it is Los Angeles or Phoenix or Detroit or New York City, you name it. The U.S. Conference of Mayors' report indicates that the problem is just exploding, as far as families are concerned, all over the place.

If New York is distinguished for anything at all, I guess it is that it, in fact, is attempting, as badly as it is doing the job, to deal with the problem. A lot of other places have sort of turned their backs on dealing with the problem of families staying together, and they don't do such a good job when it comes to individuals either.

So, it is not just an isolated problem in just one part of the country; it is a nationwide problem. I guess the question that I would have to ask, which is a variation of what Mr. Conyers asked you, is do you think that you have a responsibility as the Commissioner in charge of this program to ensure that local governments run safe and sanitary shelters?

Ms. ROSS. Mr. Chairman, as I have indicated in my testimony, the Emergency Assistance Program is a State-Federal program. We provide 50 percent of the match. The States have the primary responsibility for running the program, as they do under the Aid to Families with Dependent Children Program. I am certainly concerned and would like for the Federal dollars to be spent in an ap-

propriate manner and for places that offer better living conditions than those that you have described. I have not been to any of the shelters myself. I appreciate your suggestion because I have made other kinds of local visits, but have not done that, although I will. Yet, at the same time, I do think that there are already mechanisms built into the existing structure of the government whereby determinations can be made at the local level and raised to the State's attention.

The situation that I mentioned where a State took action refusing to pay State and Federal dollars to a particular kind of facility that was being used to house homeless people was in the State of New York. The Commissioner in New York made the decision because of the low quality level of accommodations at a particular facility. State or Federal funds were no longer made available to the facility and other arrangements were made. This is a fairly recent event.

But I think that is very important, that in cases where there is a problem, we can rely on the States to make those kinds of determinations and to ensure the health, safety, and welfare of their constituency. We are all concerned about that, Mr. Chairman, just as the mayor was concerned. I know the State staff are concerned. I think the action Mr. Perales took is evidence of concern at the State level, and I am concerned at my level, Mr. Chairman.

However, if there are already authorities in place at different levels of government that can deal with the various aspects of the program, then it seems to me that it is better to have those authorities proceed to do it.

Mr. WEISS. But since you have responsibility for disbursing the Federal funds, and since your own regulations require audits and quality control, it seems to me that at the very least, you could insist on regular audits and quality reviews, controls, to be submitted to you by the States and localities so that, in fact, you could judge whether and what kind of conditions prevail and whether those are satisfactory from your perspective.

It just seems to me that you ought not to be satisfied with saying, well, somebody else has the responsibility for taking care of it, and we are relying on them to do it, when the stark evidence is that it is not being done.

Ms. ROSS. Mr. Chairman, in regard to your comments about quality control and audits again, I would say again that those kinds of activities do not get to the kinds of concerns that you are talking about in terms of the conditions of the shelters or the hotels. Those activities really look at whether the funds are expended correctly under the law and under the State plan as approved by the agency.

Mr. WEISS. Let me cite one other case for you because this is still in the newspapers. A shelter was opened within the course of the last 2 months called the Metropolitan Shelter in the city of New York, for families, on Kathryn Street. On March 7, the New York City Health Department cited that shelter for numerous violations of city health laws.

They weren't cited as a result of a routine inspection. They were cited because a responsible local doctor called the health department to complain of an outbreak of gastrointestinal illnesses in children residing at the shelter. On March 10, a study commis-

sioned by the Legal Aid Society of New York found that families staying at the Metropolitan have also been exposed to lead and asbestos contamination.

Now, in light of the fact that Federal funds have gone to the Metropolitan, do you have any plans to look at that situation or have you perhaps already undertaken some plans to look at that situation?

Ms. Ross. I, personally, am not aware of that particular situation, Mr. Chairman. I will check with my staff and see if they are. I would be interested in getting that information after the hearing because I was not personally aware of that situation.

In looking at the whole issue in terms of standards to ensure health and safety—as Mayor Holland spoke earlier about the city's role, particularly in prevention—it seems clear that the mayors at the local level of government are attempting to grapple with the problem of homelessness and what to do about the deteriorating quality of the facilities where people are being placed. They need to make sure, and take steps to ensure, that people are doing the kinds of regular site visits that you just mentioned. That situation you referred to was stopped due to a doctor, and I would applaud that doctor for being a concerned enough citizen to take that kind of action on his own.

But I know, having run a nutrition program some years back myself, that the public health people came around monthly to monitor our kitchen operation to make sure the things we were doing met all the safety and health requirements of the State of Delaware and the city of Wilmington. These kinds of examples should heighten the sensitivity of the local officials who have the responsibility for that.

Mr. Weiss. But not the sensitivity of Federal officials?

Ms. Ross. The way the program operates, Mr. Chairman, we don't have that kind of prescriptive Federal role. There is a lot of flexibility. The primary jurisdiction for the program and the authority for running the program rests with the States.

Mr. Weiss. We may submit a list of other questions and we will appreciate your responses. I do appreciate the time that you have spent with us this morning.

We are going to hear testimony later today that EAF funds are going to emergency shelters for families in welfare hotels which are a site of prostitution and illegal drug dealing. Children are placed into these environments by local governments and the Federal Government pays half the bill, and I would think that you would want to be involved in trying to prevent the placement of families with children in such shelters whether they were in Washington, DC or New York City or Los Angeles or anyplace else, and I would welcome your searching the regulations and requirements and your own sense of what is right and give us some thoughts as to what you think the Federal Government can do in this area.

I thank you. If you have anything further to add as your closing words, I would welcome that.

Ms. Ross. I would say, Mr. Chairman, I certainly appreciate your interest in this whole area, as I am sure all the constituencies represented here do today, and your interest in particular in the Emergency Assistance Program. I will work to provide whatever

information you need, and I look forward to working with you on this issue.

Mr. WEISS. Thank you very much. We appreciate your participation.

Our next witness will be Maria Foscarinis, Washington director of the National Coalition for the Homeless, together with some other witnesses.

Before you sit down, would you follow our time-honored tradition of raising your right hand?

[Witness sworn].

Mr. WEISS. We have your prepared statement and that will be entered into the record in its entirety, and you may seek to highlight it or summarize it or deal with it as you think most appropriate.

STATEMENT OF MARIA FOSCARINIS, WASHINGTON DIRECTOR, NATIONAL COALITION FOR THE HOMELESS

Ms. FOSCARINIS. Yes, Mr. Chairman; I will be brief.

Here in Washington, and as I believe we have seen this morning, there is an alarming discrepancy between the rhetorics of politics and the reality of the real world. Homelessness continues its explosive spread across the country, yet the administration tells us that the national crisis is a purely local concern.

Homelessness is the most visible manifestation of a dire poverty across the Nation, yet our Federal officials attempt to excuse their apparent blindness by telling us that their regional administrators have not made them aware of the growing desperation of homeless families.

While our Federal officials expend their energy in passing the buck and describing the theoretical purpose of the EAF Program, they refuse to take any action, as we have seen, to enforce the single Federal program specifically designed to aid homeless families.

I would like to briefly address the reality. Today, growing numbers of men, women, and children across the country lack even the basic resources needed to survive. Homelessness is now spreading to all sectors of our population in all parts of the country. Homelessness among families is merely one further confirmation that the homeless population now mirrors the national population.

Mr. Chairman, you and the members of this subcommittee are familiar with and have contributed to the many reports on homelessness in America. Uniformly, their verdict has been grim. Homelessness is on the rise, and the proportion of families with children is increasing. As the crisis spreads, the typical face of homelessness is increasingly likely to be that of a child.

These are facts that cannot be denied. Indeed, even the administration's own Department of Housing and Urban Development in a 1984 report to the Secretary of Health and Human Services, which has been discredited for grossly underestimating the scope of the problem, concluded that families constituted 21 percent of the homeless population, and the same report stated that only 8 percent of shelter beds were for families.

Despite this obvious and admitted need, HHS has refused to take any remedial steps, including the enforcement of its own program.

As we have heard today, and in contrast to the administration's efforts to deny Federal responsibility for the homeless, there is now in the Federal statutes a program specifically designed to provide shelter to homeless families, and today about half the States participate in the EAF Program.

In those States, that means that there is now a Federal right, a Federal entitlement to emergency shelter for families, yet across the country, growing numbers of families go without even a bed to sleep in. Here are some examples.

Delaware. Delaware is required to secure shelter for homeless families, yet in that State, 50 percent of homeless families who seek shelter are turned away because they cannot be accommodated. Washington State is required under EAF to provide shelter to homeless families, but in Seattle, shelter is provided to only 1 out of 10 homeless families.

Illinois is required to provide emergency shelter, yet in Chicago 65 percent of those turned away from overburdened shelters are families. Michigan is required under EAF to provide shelter to homeless families. It is not hard to get the statistics on the need there, although apparently the administration of the EAF Program is unaware of them. In Michigan, the State itself has estimated that there are 6,400 homeless families, but there are only 250 shelter beds to accommodate them. These are just a few examples.

In addition to being grossly underused, the EAF Program is also being misused. As you have already noted, in New York City over 60 percent of the homeless population consists of families, and although the city using EAF funds is sheltering some of them, it is often at an exorbitant cost. EAF funds are now being expended to pay up to $3,000 per month to shelter a family in a single room in a squalid Times Square welfare hotel.

What has the response of HHS been to the neglect and misuse of its own program? Nothing less than the complete abdication of all responsibility. We have heard today from the witness produced to testify on EAF by HHS that the Department is not aware of the implementation of the EAF Program in California and in other States across the country, yet she promises to find out.

We have heard that HHS is not aware of the EAF expenditures for emergency shelter, yet HHS is required by Federal regulation to review States' compliance with EAF requirements. No such reviews have been conducted, as we have heard. HHS is authorized to examine noncomplying States. No such examinations have ever been conducted.

Indeed, today's testimony has confirmed that HHS has failed to take any of the steps required by Federal regulation to ensure State compliance with this program.

We have been told today that it is too burdensome to review State compliance with the EAF emergency shelter program. The somewhat incredible explanation is that that program is too small for review. Indeed, it may be, but that is not because the need is not there. The need is great. If the program is small, it is only because of the failure to enforce it. HHS has created the very situation upon which it now relies to excuse its own inaction.

Nothing better illustrates the bankruptcy of the administration's policies toward the needy than this reckless disregard for the operation of the EAF Program. While the Federal Government continues its massive cutbacks, the administration refuses to enforce the program that would alleviate the need. And, as the crisis inevitably mounts and some action becomes necessary, it is at the exorbitant price of stopgap measures taken under duress of crisis.

What do we propose? First, and perhaps foremost, existing programs such as EAF must be enforced. But, beyond that, affirmative action must be taken by Congress to address the plight of homeless families. We have been told today that the problem is a complex one, perhaps too complex for the Federal Government to resolve, but I think if we take a look at the reality, the problem is not that complex.

We know, for example, that housing programs have been cut 78 percent in the past 5 years. We know that programs to benefit the needy, such as AFDC and Food Stamps and SSI, have been cut dramatically.

The result is an obvious one, an inevitable one. Just as the causes are not complex, neither are solutions necessarily elusive. We propose a comprehensive Federal response to homelessness, the Home Persons' Survival Act of 1986.

I would like to submit a summary of that act for the record.

Mr. WEISS. Without objection, that will be done.

Ms. FOSCARINIS. Thank you.

[The information follows:]

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The Homeless Persons' Survival Act of 1986

The past few years have seen an explosion in the number of persons homeless in America. As growing numbers of families, children and the recently unemployed join the ranks of the dispossessed, the homeless population increasingly reflects a cross-section of the national population. No longer limited to large urban centers, homelessness has spread to suburban and rural areas, coast-to-coast. In both size and scope, the dimensions of the problem have increased beyond the excusive capacity of local governments.

The Homeless Persons' Survival Act of 1986 bill is founded on the premise that homelessness is now a nationwide crisis requiring immediate and responsible federal action. The Act is a comprehensive proposal to alleviate the immediate misery of homelessness while also addressing its precipitating and long-term causes. Based on the work of over ten national organizations with expertise in related areas, the Homeless Persons' Survival Act proposes federal action to provide (1) emergency relief, (2) preventive measures and (3) long-term solutions.

The bill consists primarily of amendments to the scheme of existing federal statutes. While the federal government has traditionally acknowledged its responsibility to the nation's needy with a range of programs to aid the poor, it is a growing irony that many of those measures are not in fact being implemented to redress the plight of the wholly destitute. In three separate titles, the bill proposes measures to conform federal efforts to the contemporary reality of the nation's homeless poor.

Emergency relief. The bill addresses the most obvious of the immediate needs of the homeless by requiring states to provide overnight shelter for all homeless persons. Modeled on an existing federal

emergency shelter program for homeless families, -- now in effect in about half the states -- the proposal would provide the bare essentials of emergency shelter for all persons, in all states.

In addition, the bill proposes outreach measures to ensure that the homeless receive benefits to which they are entitled under existing programs. Further, it proposes modifications in existing areas of federal regulation to meet the particular needs of the new homeless poor by, for example, amending provisions that strip the homeless of federal benefits when they enter or remain in an emergency shelter. Finally, the bill proposes the removal of state-imposed impediments to the receipt of benefits and services by homeless persons.

Highlights of the emergency provisions are:

* Provide effective outreach to homeless persons eligible for Food Stamp and SSI benefits.

* Permit use of Food Stamps by homeless persons to buy prepared meals.

* Provide health and mental health care to homeless persons.

* Remove barriers to education for homeless children.

* Prohibit the imposition of permanent address requirements for receipt of benefits.

Preventive measures. The Homeless Persons' Survival Act proposes a series of measures designed to avert the downward cycle to homelessness faced by families and individuals living on the margin of destitution. Such measures not only help avoid the personal misery suffered by the potential victims, but also reduce the need for emergency measures which, taken under the duress of a crisis, are almost always more costly than preventive measures planned in advance. For example, the thousands of dollars paid in New York City for a single room in a welfare hotel, under a federal program to house homeless families, could be used to prevent--rather than merely patch-up--the emergency.

The bill proposes to prevent certain precipitating causes of homelessness, such as the demolition of needed low rent dwellings. In addition, it seeks to prevent the homelessness which results when persons released from mental or penal institutions without resources must wait months before an application for benefits is processed. Further, the bill seeks to modify existing federal programs for needy families with children, which now discourage the maintenance of family life, and lead to the disturbing, but growing, spectacle of homeless children.

Highlights of the preventive portions of the bill are:

* Prevent unnecessary evictions from subsidized housing.

* Provide temporary rental assistance to avert evictions and foreclosures in private housing.

* Preserve low-rent units such as SROs.

* Provide pre-release procedures for SSI and Food Stamp benefits.

* Extend SSI presumptive disability to persons suffering from severe mental illness.

* Modify AFDC "deeming" and student assistance rules.

Long-term solutions. The proposed Act seeks a responsible long-term solution to homelessness by addressing what is widely recognized as its major cause: an increasing scarcity of low-income housing. The bill proposes to increase the number of subsidized housing certificates and public housing units now available and to ensure the preservation of existing units. In addition, it seeks to redress the effects of the incompletely and irresponsibly executed deinstitutionalization policies of the past decades through the development of residences for the chronically mentally ill.

Highlights of this portion of the bill are:

* Increase section 8 and public housing units.

* Require local governments receiving federal funds to make vacant, tax-foreclosed buildings available to house the homeless.

* Encourage development of community-based residences for the homeless mentally ill.

Although certain of these measures require the expenditure of additional funds, they are necessary to a serious response to the growing phenomenon of widespread homelessness. As the crisis approaches explosive proportions, and the social and economic costs of emergency relief continue to increase, only affirmative federal measures can provide a true solution to homelessness in America.

Ms. FOSCARINIS. Very briefly, certain of the key provisions that address the problem of homeless families are the expansion of the EAF Program and making that program mandatory on the States. In addition, we propose an increase in low-income housing so that homeless families who are now on a waiting list across the country years long can get off those lists and into affordable housing.

[The prepared statement of Ms. Foscarinis follows:]

Testimony of Maria Foscarinis
Washington Director,
National Coalition for the Homeless

My name is Maria Foscarinis. I am the Washington director of the National Coalition for the Homeless, a federation of organizations, agencies and individuals from some 40 states and counties across the country. Our guiding principles are simple: in a society that calls itself civilized, all persons are entitled to the basis resources needed to survive: food and shelter.

My testimony before you today is powered by a single goal: to convey the depths of poverty and homelessness now gripping growing numbers of this nation's people -- including, increasingly, families -- and the urgency of the need for federal action.

There is today an alarming -- and widening -- discrepancy between the rhetoric of politics and the reality of the real world. While the President extols the virtues of family life, growing numbers of families must choose between paying the rent and buying a meal. As the President preaches the sanctity of motherhood, more and more children most go without a decent meal or a home to live in. And as the President tells us that "America is back," unemployed mothers and fathers are being pushed from their homes on to the streets.

And in Congress -- with a few exceptions -- the response to this mendacious assault on reality is silence. Too often, Mr. Chairman, in the cowardly words of false sophistication, some of your colleagues here in Congress cite the "difficult political climate" as an excuse for inaction. Yet as these "political realities" are debated, the real world heads for catastrophe.

Today, the reality is that growing numbers of men, women and children across the country lack even the basic resources needed to survie. The reality is that the elderly must choose between buying a meal and paying the rent. The reality is that children must go without even a bed to sleep in. The reality is that families are being pushed from their homes on to the streets.

As destitution spreads through the sectors of our population and the country -- to the suburbs and to rural areas as well as to the cities -- the typical face of homelessness is increasingly likely to be that of a child.

Mr. Chairman, I know that you have seen the national crisis that is homelessness in America today. Homelessness among families is one bleak face of the dire poverty afflicting growing numbers of the nation's population.

Mr. Chairman, you and the members of this committee are undoubtedly familiar with -- and contributed to -- the many reports on homelessness in America. The U. S. Conference of Mayors recently issued a report surveying the growth of hunger and homelessness in 25 American cities. The verdict was grim. In the muted language of statistical analysis, the report concluded that the most significant recent change in the homeless population is the increase in the proportion of families of families with children. Indeed, even the Administration's own Department of Housing and Urban Development, in a 1984 report--now discredited for grossly underestimating the scope of the crisis--concluded that families constituted 21% of the homeless population.

The causes of this growing devastation are not mysterious. The plain fact is that the federal government has not only abandoned its traditional commitment to aid the poor, but has adopted policies that can only increase the toll of human suffering.

* Since 1980, federal housing programs have been cut 78%. The President now proposes further cuts to bring the number up to 92%. Yet across the country, families wait on list years long for subsidized housing. Is it any wonder that homelessness among families is on the rise?
* Benefits under programs that aid families have been slashed. In states across the country, average AFDC grants do not cover basic needs. The average Food Stamp benefit is now 49 cents per meal. Is it any wonder that families today must face the bitter choice of paying the rent or putting food on the table?

Significantly, despite the Administration's efforts to deny federal responsibility to the needy, there is now in the federal statutes a program to provide shelter to homeless families.

The Aid to Families with Dependent Children statute contains a program called Emergency Assistance to Families. EAF is voluntary -- but each state electing to participate must submit a plan to HHS specifying the types of assistance provided to needy families --

including emergency shelter. Under federal law, the state is then bound to provide the assistance specified -- with 50% federal reimbursement. Today, about half the states participate in this program; in those states, there is now a federal right to emergency shelter for homeless families. Yet across the country growing numbers of homeless families go without even a temporary refuge. For example:

* Delaware is required under EAF to "secure shelter" for homeless families. But this obligation is not being met: each day over 50% of the homeless families who seek shelter in Delaware are turned away. As a result, a father, mother and their six children -- homeless after the father lost his job -- spent two weeks sleeping in their car.
* Washington State is required under EAF to provide shelter to homeless families. Yet in Seattle, shelter is provided to only about one out of ten homeless families. A father, mother and their three children -- who became homeless when the father lost his job -- were lucky: they eventually found temporary shelter at a private agency.
* Illinois is required to provide emergency shelter to families. Yet in Chicago, 65% of those turned away from inadequate shelters are families.

Moreover, not only is the EAF program being grossly underused, where, either through resort to the courts or through public pressure, some temporary shelter is provided, EAF funds are being seriously misused. For example:

- In New York City, over 60% of the homeless population consists of families. While New York is not meeting its obligation to secure shelter for many of these families, where it does provide shelter, it is at an exhorbitant cost: The New York City and State governments are now spending, under EAF, up to $3,000 per month to shelter a family in a single room in squalid Times Square welfare hotels. And while children lose their childhood in the crime and violence of Times Square, the private hotel owners reap huge profits.

What is the response of HHS to the neglect and misuse of this federal mandate? Nothing less than the complete abdication of responsibility to oversee its own program. HHS is required to review states' compliance with EAF requirements; no such reviews have been conducted. HHS is authorized to examine non-complying states; no such examinations have ever been conducted. Indeed, HHS has failed to take any of the steps required by regulation to insure State compliance with its program.

Nothing better illustrates the bankruptcy of the Administration's policies towards the needy than this reckless disregard for the operation of the EAF program. While the federal government continues its massive cutbacks, the Administration refuses to enforce the program that would alleviate the resulting need. And as the crisis inevitably mounts, and some action becomes necessary, it is at the exhorbitant price of stop gap measures taken under the duress of impending disaster.

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What do we propose?

First, existing programs, such as EAF, must be enforced. HHS should no longer be permitted to ignore the mandate of the AFDC statute.

Second, affirmative action must be taken by Congress to provide further redress to the plight of homeless families to provide both emergency relief and long-term solutions to homelessness. Together with 10 other national organizations, we propose a comprehensive federal response to homelessness: the Homeless Persons' Survival Act of 1986.

The proposed legislation contains several provisions to aid homeless families. Key provisions in this area are:

* Expand the EAF program. About half the states now participate in the EAF program; participation should be made mandatory.
* Modify AFDC "deeming" rules. AFDC rules now encourage the break-up of families by taking into account the income of extended family members, including eligibility and benefit levels. Those rules should be modified.
* Permit homeless children to continue their education. Certain local school districts receiving federal funds deny school admission to children without a permanent address. Such districts should be required to modify provisions to permit homeless children to continue their schooling.
* Increase low income housing. Low income housing units must be increased so that homeless families can get off the waiting list and the streets and into affordable housing.

There are steps that that must be taken -- and they must be taken now.

Ms. FOSCARINIS. Mr. Chairman, I would now like to introduce another witness. Earlier I gave you some examples of homelessness among families across the country. Delaware was one of the States I mentioned, bound by Federal law to secure shelter for families who need it. Behind the numbers lie real people.

Marsha Rowe, whose family became homeless in Delaware, has traveled here today to speak to this subcommittee about her experience and to tell Congress and the committee in her own words about homelessness in Delaware. Her testimony, I am sure, will be more eloquent.

Mr. WEISS. Ms. Rowe.

Again, before you sit down, this committee swears in all of its witnesses, so please raise your right hand.

[Witness sworn.]

Mr. WEISS. You may proceed as you feel most comfortable doing.

STATEMENT OF MARSHA ROWE

Ms. ROWE. Well, when we first came down here, I didn't stay with my mother and father. I went over to my grandmother's, and they went out to look for a place to stay. So the closest thing they could think of was the Salvation Army. It did a lot of things for us. It got us a home and helped us out when we got it.

When I first came there, I was kind of scared, but my mother calmed me down, and I was shaking in my boots, like I am now.

Mr. WEISS. Relax. Nobody here is going to bite you. Just take it easy. Catch your breath, maybe even take a sip of water first, OK?

Ms. ROWE. The first night I spent there, I didn't go to sleep at all because my little sister Pearl was sick and she had caught a cold. My mother had to go to the laundromat. My father was still out working. So the only person there was me and James. Well, James was already asleep, so I stayed up with Pearl.

The next morning when we got up, Pearl was sick and she had a temperature. She had to go to the doctor's. When she came back, people said she couldn't come in because she might spread a disease. So Pearl went to my grandmother's house and stayed for a couple of nights.

When she came back, she was jumping with joy to see me and everybody, but most of all, she was glad to see her friend, the lady who worked at the Salvation Army. She ran through the door and knocked everybody down, and she went straight up to the second floor and started hollering and screaming for her friend. After that, I kind of got used to it.

The next day we all went out to look for a place to stay. My father found this place and it was at a reasonable price, and he wanted to put a downpayment down on it. The people said he wasn't able to get it, so we went back to the Salvation Army, and we went to the office, and they had found us a place, and when we moved in, two or three of the ladies came past to wish us good luck and to find us a school to go into.

Well, at Pulaski School, it was spooky because in my other school I used to go to, there were more whites there than there were blacks, but at this school, it was whites and blacks mixed in the

same school, but the school what I came from, it was only blacks in one class and whites in the other.

When I got home, I sat at the office with this lady, and she took me out, and me and her became very close friends. The Salvation Army, the employees that worked there, one lady there was the cook, and she couldn't cook that well. She couldn't cook that well. When the time came for dinner, she fixed us meat loaf, and was her meat loaf awful.

So, we went out and we went to the pizza shop. My mother and father didn't have that much money at that time, and they sort of had to scrape up the little that they had, but then my mother and father didn't have enough, so they went back to the Salvation Army and they asked an employee there could they borrow a little bit of money and they would pay them back later. Of course, they said yes, and then we went back to the store.

But when we got there, my little brother Thomas, which is a devil, went to the counter and ordered everything that he knew the name of, like pizza and all that. So, my mother took my little brother and she took him outside, and she went back to the place and she had a little discussion with my brother. When we came back, Thomas was sitting down like an angel, and then when we went back the next day, I couldn't go to sleep. I kept hearing noises. So, I went downstairs, and there was nobody down there, so I went back upstairs and I woke up my mother and father and I told them I was hearing noises, but they told me to go back to sleep.

So, the next day we got up and it was a Saturday. We couldn't watch TV when we first got up because we had to watch it after we got through eating, so when we got through eating, everybody was hollering and screaming about what they wanted to see, so I just left out the room and went upstairs.

Mr. WEISS. Marsha, would you mind if I asked you a couple of questions because we have to go back to the floor for a vote very shortly and I want to be sure that we get all of our witnesses in.

How old are you?

Ms. ROWE. Twelve.

Mr. WEISS. And how many sisters and brothers do you have?

Ms. ROWE. I have two sisters and three brothers.

Mr. WEISS. And where are you living now?

Ms. ROWE. 72 Memorial Drive.

Mr. WEISS. In? Where; what city?

Ms. ROWE. Newcastle.

Mr. WEISS. And how long have you lived at that address?

Ms. ROWE. Half a year.

Mr. WEISS. And can you describe it for us? What kind of a place is it?

Ms. ROWE. It's peaceful, quiet, everybody gets along, and everybody minds their own business.

Mr. WEISS. And where were you living before that address? Were you at the Salvation Army before you got to that place? Is that the idea?

Ms. ROWE. Before I went to the Salvation Army, I was living down South.

Mr. WEISS. But before you got to the address where you are living now, how long did you stay at the Salvation Army?

Ms. ROWE. About 2 or 3 weeks.

Mr. WEISS. And is the place where you are living now the place that you moved to immediately after the Salvation Army, or did you live someplace else in between?

Ms. ROWE. We went there after we went to the Salvation Army.

Mr. WEISS. And what kind of facilities did you have at the Salvation Army? What kind of housing did you have there? How many rooms did you have?

Ms. ROWE. One.

Mr. WEISS. And was there a kitchen in that room? Were you able to have any cooking done in that room?

Ms. ROWE. No.

Mr. WEISS. So, you had to do all of your eating outside; is that right?

Ms. ROWE. Yes.

Mr. WEISS. Is there anything else that you would like to add now before we thank you for coming in and sharing your experiences with us?

Ms. ROWE. I want to say one more thing.

Mr. WEISS. Go ahead.

Ms. ROWE. The Salvation Army is like the Army. Everybody has to work together to get along and get things done. The staff and everybody else with it was very helpful and everything else. We had some good times there, some fun times and some sad times. That's all.

Mr. WEISS. Thank you very, very much. I'm sorry that we made you feel so nervous, but you did an excellent job as a witness, and I hope that you will have the occasion to come back often and in different areas of interest and concern to you and to all of us.

Thank you very much.

Thank you, Ms. Foscarinis.

Let me ask you some questions, if I may. Have you been to the welfare hotels in New York City which are half funded by the EAF Program?

Ms. FOSCARINIS. I have been to some of them; yes.

Mr. WEISS. What would you suggest as realistic alternatives to the welfare hotels in New York?

Ms. FOSCARINIS. As alternatives?

Mr. WEISS. Yes.

Ms. FOSCARINIS. I think the best alternative is to provide housing that families can afford. With the money now being expended to put up a family in a single room in a welfare hotel, probably several families could be put up in subsidized apartments.

Mr. WEISS. I understand that your organization has filed an antitrust suit against some of the welfare hotels. What is the basis for this?

Ms. FOSCARINIS. The basis for that suit is price fixing. Right now the only beneficiaries of the high amounts of money being paid to welfare hotels are the private owners of those hotels who are reaping huge profits. Those hotels are accused of collaborating in the prices that they charge for the rooms. That is the typical case of price fixing where a group of people get together and decide on a

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common price, which is generally higher than it should be, as is the case in New York City.

Mr. WEISS. You heard the testimony that was given to us by Commissioner Ross, and her view that the responsibility for conducting audits was basically that of the States and the localities, and that quality control, in her view, as used in the regulations simply referred to making sure that the people who received the money were those who were intended to receive money, in essence. As I recollect, that was the thrust of her testimony.

Is that your view as to what the regulations provide?

Ms. FOSCARINIS. No; it's not. The kind of review that Ms. Ross described is a simple accounting procedure. The review specified specifically in the regulations is to ensure that States are complying with the substantive requirements of their State plan. That is a substantive obligation, not merely an accounting one.

Mr. WEISS. I thank you very much for your participation and for the work that your organization has been doing over these months and years.

Ms. FOSCARINIS. Thank you.

Mr. WEISS. Our next witness is Sandy Brawders, House of Ruth shelter, accompanied by some witnesses.

If you want to have the witnesses who accompany you join you at the witness table, that will be fine.

[Witnesses sworn.]

Mr. WEISS. Would you, Ms. Brawders, identify yourself and the witnesses who are accompanying you and then proceed as you think most appropriate?

STATEMENT OF SANDY BRAWDERS, EXECUTIVE DIRECTOR, HOUSE OF RUTH SHELTER

Ms. BRAWDERS. My name is Sandra Brawders. I am the executive director of the House of Ruth, which is located here in Washington, DC. We work with homeless, destitute, and abused women and children, 3,800 of them a year.

The women I have brought with me are two women who are currently living at the House of Ruth facilities with their infants, Sally Lovett and Rachelle, and Seleda Mumphrey and Alexis.

We are currently standing by and watching the complete disintegration of the only unit of support that poor Americans have, and that is the family. We have created solutions that take children away from their mothers because it's easier. We have created more shelters for single adult males and females rather than for families because it is easier. And we have expected mothers to support a child with an extra $51 a month in a public assistance check, and yet will give a foster parent six times that amount per month to take care of the same child, or $60 per day for an infant placed in a facility such as St. Anne's in Maryland, because it's easier.

Homeless mothers are not a large voting bloc, and neither are their children, yet, and the cumulative effect of not solving these enormous injustices will result in a clear view of family for only the rich. The poor do not have to be with us always, and if the poor are predominantly women and children, which every study is currently telling us, we are a very sorry nation.

Unless we begin to shelter families together and help these struggling families to realize that they are each other's first support network, then we will fail at every social program and every dollar we throw at the program.

More shelters and more programming for keeping families together are needed now and not 2 years from now. A change in perspective by Government agencies who come in after the crisis is to take one person one place, another somewhere else. This kind of thing cannot be a model for effectively solving our social problems. We have to do it, I think, the hard way, the complicated way, a preventative way, and that is keeping the family together.

In Washington, DC, we have the Pitts Hotel as our major family shelter. The description in the directory of homeless shelters put out by the Metropolitan Council of Governments states that the Pitts Hotel shelter has 52 spaces for families and that referrals do not necessarily have to go through a city worker in order for families to be admitted, though I have personally experienced over the last 2 years never being able to get a family that I recommend into that shelter, even at the point of blackmailing the person I was talking to on the phone.

This facility has reported through the D.C. Commission on Homelessness that the average number of children in the shelter on a given night is 123 and the average number of families is 48. The budget for this facility last year was $1.7 million, and an additional $400,000 that was amended to the original contract for additional services for families. This is one of those welfare hotels, not a nonprofit agency, but a profitmaking business.

What do we get for this amount of money for families in a shelter currently in Washington, DC? Educational programs? No. Parent training classes? No. Family counseling services? No. Health screening and treatment programs for families? No. Employment adjustment programs? No. Day care for working mothers who are trying to get out of the shelter? Absolutely not.

If we care about the cycle of homelessness for families and know that we need it to be broken and we are looking at stats in Washington that are between 5,000 and 10,000 homeless, and the highest infant mortality rate in the entire country, those kinds of facts are not necessarily unrelated, and they involve families. Whether a woman has one child, two children, three children, they are a family, or whether she is currently carrying a child in her, she is still a family.

What has to be investigated are what we are calling family shelters right now, and to me, hotels are not family shelters. They are not programmed to keep families together.

What I want you to hear today is not so much from a direct care provider as myself, one who feels very passionately about this issue, but from two women who have gone through this experience themselves. Washington, DC, with the highest infant mortality rate in the country, has one program, ours, for 10 women for shelter after they come out of the hospital and are homeless with an infant, and that is it. I think that that speaks for the need for this program.

I would like to introduce Sally to comment first.

STATEMENT OF SALLY LOVETT

Ms. LOVETT. Nowadays I find a need for day care. I have been trying lately to get funds for day care through DHS. They tell me that I have to have a job. My problem is that I can't get a babysitter to go out and get a job so I can get the day care funding. Then they told me I had to go in another direction. Well, I have been trying that other direction for about 2 months lately, and I still have not got nothing completed. The problem is that day care centers do not want to take my child because she has seizures, and they feel that they can't take care of her to the capability of giving her medication as directed. I have had the problem with home day care, too.

Also, I have been on the waiting list for section 8 housing since August, and I have not gotten nowhere with that. I have been cut off my PA, my public assistance check, twice so far.

Mr. WEISS. Because?

Ms. LOVETT. Because of failure to submit a monthly report, when in turn one time my caseworker had my monthly report sitting right in front of her face. Luckily now I have a different caseworker.

I mean it's really hard to raise a child living in a shelter. It seems like sometimes I feel like I'm never going to get out of the shelter because the services that I need, I cannot get ahold of half the time.

Now, at the age of 15 I was put in juvenile homes from my parents. I was taken out of my parents' custody for child abuse and neglect, and ever since the age of 15, I've been down this road of bad. Nothing has turned up good. And now I've been in the shelter since July and still have not got nothing. They keep on telling me at DHS that they are going to get ahold of her father. Well, her father is sitting in jail. They should have got ahold of him before he went to jail. That's the way I feel.

Now, I see DHS not doing too much for me. They might be trying, but it's not helping. I think what they need, what needs to be done is that they need to provide more funding for people, for families, for mothers with dependent children so they could get back up on their feet.

That's all I have to say. Thank you.

Mr. WEISS. Thank you very much, Ms. Lovett.

Ms. Mumphrey.

STATEMENT OF SELEDA JOYCE MUMPHREY

Ms. MUMPHREY. Up until January, I was a student at Georgetown, and I thought that by May 1988, I would be graduating, but when I went home for Christmas and I told my mother that I was pregnant, she did what people did back in the forties. She just said: Get out. By that time, I was like 5 months pregnant then, and if somebody just tells you to get out and you don't have anyplace to go, I went to a shelter.

I think I cried more then than I ever have in my entire life, and like she is able to get PA, I couldn't get PA or food stamps or Medicaid. It was just like telling someone that you need help and they are saying, OK, well, I need your birth certificate, and I say, well,

my mother has my birth certificate and she's not going to let me come and get it. So it was just you sit there and you are telling someone that you need help now, and they are saying, well, we can help you maybe in a month. This was, like, in January. We are approaching April now and I still haven't gotten any help whatsoever.

So I moved into 700 Sixth Street, which is the house for unwed mothers, and the social worker there was trying to get me into a program which is called WOW, and when I went there and I was pregnant at the time, and they said, oh, we can't let you into the program because you are going to have your baby right in the middle of the program, so you can't do it.

So then after I had the baby and I called back, they said, oh, well now we're all filled up. If you lived in PG County, maybe we could help you out, but since you don't live there, then there is nothing we can do for you. Like I called around trying to get into a training program. A lot of them offer nursing care while you are in school, but they are all filled up.

So DHS has nurseries that you can put your children into, but in order to get into them you have to qualify. One of the qualifications is if you are mentally ill. If you are mentally ill, they are going to take your child away from you anyway. So you just have to go around into so many different circles to even try to get out of a shelter. If you meet one qualification, you can't keep your child.

Ms. LOVETT. I would like to say something else. She was talking about the DHS slots. Well, I've run across the problems where they have the slots but they are all filled up. There's not that many for infants.

Ms. MUMPHREY. And a lot of places won't take your children if they are under the age of 2. So do you just stay in a shelter for 2 years waiting for someone to take your child? She was saying that she had been waiting for a section 8 for months. There is another lady at the pregnant mothers home who has been on the waiting list for, like, 7 years, and she is still waiting for a section 8 apartment.

Mr. WEISS. Thank you very much.

Ms. BRAWDERS. Thank you. Part of the thing is that many people have the idea that it is the people who are homeless and somehow it's their fault, and I think that we have to look really closely at our social service agencies and look at where the fault really lies, and if we talk about emergency, maybe it's not month by month, but day by day that we need to respond.

Thank you.

Mr. WEISS. Ms. Brawders, again, you might know the numbers. You had said that yours is the only agency or shelter program that deals with unwed mothers? Is that the idea?

Ms. BRAWDERS. Yes; over 18.

Mr. WEISS. Over 18. And you said that you have space for 10 women and babies?

Ms. BRAWDERS. Yes. That's all.

Mr. WEISS. And what is your sense or estimate as to the need? How many people are out there who could use facilities such as yours if they were available?

Ms. BRAWDERS. I have a waiting list currently of 39 women who are staying in other shelters and are pregnant, and House of Ruth is the only 24-hour shelter for women in DC. So many of those pregnant women are staying in only nighttime shelters and are out walking around during the day and are not getting proper nutrition, and we are not looking at that as contributing to the infant mortality rate in DC.

Mr. WEISS. Does your program receive support from the Emergency Assistance to Families Program?

Ms. BRAWDERS. No; we don't.

Mr. WEISS. Would you qualify, do you think?

Ms. BRAWDERS. We haven't qualified in the past.

Mr. WEISS. Why would that be?

Ms. BRAWDERS. From what we understand, it goes through the city, and often the larger agencies receive most of the funding in larger amounts rather than some of the smaller agencies or shelters who are functioning in this kind of capacity. We have never qualified before.

Mr. WEISS. And how are you funded?

Ms. BRAWDERS. The emergency shelter receives city funds for 60 percent of its budget. The rest of our programs are all privately funded by community foundations and individuals and churches and so forth.

Mr. WEISS. But you have made application to receive emergency assistance funding?

Ms. BRAWDERS. Yes; we have. Yes; and we're hoping that we can do some stronger advocacy in DC for this.

Mr. WEISS. Right.

Ms. BRAWDERS. The attitude, sir, is really to have the women go in, live in the shelter during pregnancy, go in and have their baby and place the baby in foster care and release the woman, because she doesn't have an address, and there are no shelters where she can take an infant. The Pitts Hotel had three infants die there last year, and they will not take women with infants because of that potentially explosive situation that they had last year. So it's very hard for a woman to be placed with a newborn infant anywhere in the city. And so it's very heartbreaking to know that they're giving their children up to protective custody, and then they come back to our shelter if we don't have room in the mother's house.

Mr. WEISS. Ms. Lovett had indicated that one of the reasons that she is not able to seek training for employment is that there is no day care facility for Rachelle.

Ms. BRAWDERS. Yes.

Mr. WEISS. You don't have a day care program as such?

Ms. BRAWDERS. Not yet. It's sort of a village system. Many times the women bring their babies into the administration office, and so we often answer phones with a baby on the desk in some kind of carrier. But we don't have any infant day care for the women, and it's very difficult to find infant day care for women who cannot pay on a PA check of $257 in this town. You know, I really challenge anybody to live on that in Washington, DC.

Mr. WEISS. Ms. Lovett, would you have had opportunities to apply for training programs, had you been able to provide day care?

Ms. LOVETT. Yes; I have done that in the past. I did another training program application about a month ago, and it was to get my GED, and they had a nursery in the place, and they only took five children. She said that there was a waiting list, and I called back, and she said, "Well, it's going to be about 2 or 3 months."

And what the problem is, my daughter has seizures. She has to have medication administered to her to control them. And what the problem is, is a lot of day care centers and a lot of people don't want to do that.

Mr. WEISS. Ms. Mumphrey, what has been your experience as far as seeking training or participation in training programs?

Ms. MUMPHREY. Well, at the time that I did it, I was pregnant, and no one wanted to admit me into their program.

Mr. WEISS. Right. And now there are no positions open?

Ms. MUMPHREY. Well, she's only what, 10 days old?

Mr. WEISS. OK.

Ms. MUMPHREY. But I did want to say something else. As far as people living in a shelter during their pregnancy, I have absolutely no idea what I would have done if they had not opened the mothers' home when they did. They opened it on February 10. She was just born March 7. So I was saved by a bell, because another girl who moved into the mothers' home, had her baby, and they were going to take the child away from her because she didn't have an address.

Mr. WEISS. Well, I thank you both for your participation.

Ms. Brawders, you mentioned that you've had experience with the Pitts Hotel.

Ms. BRAWDERS. Yes.

Mr. WEISS. How much does the District of Columbia pay for its contract with the Pitts Hotel?

Ms. BRAWDERS. It's $1.7 million, and then last year—this was based on last year's figures, they got an additional $400,000 added to that. So around $2.1 million.

Mr. WEISS. Based on your experience as a shelter operator, is $2 million to shelter 38 families at a facility like the Pitts Hotel a prudent use of funds?

Ms. BRAWDERS. No; absolutely not. The facilities are deplorable, and the conditions that the families are living under, no one could be motivated to get out of a shelter in a million years.

Mr. WEISS. The families there are supposed to be moved to permanent housing, because it's really a temporary shelter.

Ms. BRAWDERS. Right.

Mr. WEISS. Is there enough housing in the area to accommodate the residents of the Pitts Hotel?

Ms. BRAWDERS. No, sir; there is not. Part of our difficulty is with housing, and we have a second-stage house for 32 women, because the women cannot afford to live in DC, if they are on any kind of fixed income.

The cheapest room we are able to find in Washington, DC, which would not pass health codes, is $180 a month with no kitchen privileges. Most folks are making $206 a month. On PA it doesn't take much in subtraction or addition to figure out what you have to live on.

If you have a child, you add another $51 to that, and you're still just getting one room, and you're still in an apartment building that would probably be condemned.

So it's very difficult in this particular town. When we put people on waiting lists—and we no longer do that, and we do not look at that as an option, because the list is—in DC varies from 7 to 12 years waiting for section 8 housing.

Mr. WEISS. The program for mothers has just begun to operate; is that the idea?

Ms. BRAWDERS. Yes. We started it over 1 year ago in the administrative office. We just brought in cribs and started the program. And then we found a house that we were able to get a hold of with some help, and we moved the program there in February.

Mr. WEISS. And how long has the rest of the program been in existence?

Ms. BRAWDERS. The House of Ruth is the oldest shelter in DC. It's been around since 1976. And one thing that we've noticed is that the average age of the women at that time was 54. It is currently 25. So there's been a huge drop in the age. We're talking about 25-year-old women, childbearing age, still needing job training, still needing skills and some kind of career.

Mr. WEISS. Have you noted an increase in families that are homeless that are seeking your services?

Ms. BRAWDERS. Yes. And that's probably the most tragic feeling that we have. Out of our population this morning, 70 percent of the women are mothers who are staying in our emergency shelter as single, adult women, and their children are either with their mother, a grandparent, a relative, a friend, or in protective custody.

Mr. WEISS. Well, I thank you very much.

Ms. BRAWDERS. Thank you.

Mr. WEISS. And I appreciate your having Ms. Lovett and Ms. Mumphrey accompany you.

Thank you.

Ms. BRAWDERS. Thank you.

Mr. WEISS. Our final witness for the day will be Dr. Ellen Bassuk, associate professor of psychiatry, Harvard Medical School, accompanied by two of her associates, Dr. Lenore Rubin and Jetta Bernier. Before you sit, please raise your right hand and swear or affirm that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth.

[Witnesses sworn.]

Mr. WEISS. Dr. Bassuk, we will start with you.

STATEMENT OF ELLEN BASSUK, M.D., ASSOCIATE PROFESSOR OF PSYCHIATRY, HARVARD MEDICAL SCHOOL, CAMBRIDGE, MA, ACCOMPANIED BY LENORE RUBIN, PH.D., HARVARD MEDICAL SCHOOL, AND JETTA BERNIER, EXECUTIVE DIRECTOR, MASSACHUSETTS COMMITTEE FOR CHILDREN AND YOUTH

Dr. BASSUK. Today, I will describe the desperate plight of homeless families in Massachusetts based on in-depth clinical interviews of 116 homeless mothers, 11 homeless fathers, and 205 children staying in 14 family shelters and 10 welfare motels in Massachu-

setts. I will describe an emergency situation that requires the attention of all of us.

The majority of family members are small children who are spending their formative years in wretched surroundings, with their basic emotional and physical needs unmet. Researchers and advocates have reported severe medical and psychiatric difficulties, developmental lags among the preschoolers, and serious learning problems among the older children.

Despite the complexity and far-reaching social consequences of the family homelessness problem, reports describing this group are sparse. Our study was an attempt to found the beginnings of a systematic data base, profiling the characteristics of this uniquely disadvantaged population.

I will begin by briefly discussing our view of the origins of family homelessness. Then, based on our study, I will describe the characteristics of the mothers.

Dr. Rubin will discuss the needs of the children, and Ms. Bernier will present various policy recommendations based on our data.

Until recently, the causes of homelessness among families have been defined as predominantly economic. Lack of decent, affordable housing; inadequacy of welfare benefits; and deterioration of family structure and its association with poverty, have been repeatedly cited.

Lack of housing and inadequate income are together precipitants of homelessness and are thus the immediate reason why people lack shelter. There is a serious nationwide shortage of low- and moderate-income housing, which by 1990 may exceed 1.7 million units. In Boston, for example, only 2 percent of apartments rent for less than $300 per month. This means that families currently registered with the Boston Housing Authority will have a minimum of a 2- to 3-year wait. Many will wait up to 12 years for housing. Even after such a wait, housing is often substandard, temporary, or excessively costly.

There is no indication that these trends will be significantly reversed in the near future. In this type of housing market, all families with reduced and/or fixed incomes are vulnerable. But families headed by women are even at greater risk. Half of these families are living well below the poverty level, and the numbers of these families are growing at an astounding rate. In 1970, 1 in 10 families were female headed. By the year 2000, it is projected that one in five families will be headed by women. If current rates of divorce, illegitimacy, and single-parent childrearing practices continue or worsen, it is obvious that the numbers of families at risk of becoming homeless will continue to increase. In our study, we found that 85 percent of the present population of Massachusetts' homeless families are comprised of a single mother with 2.4 children.

Although the majority of homeless families are receiving AFDC, these benefits are not sufficient to prevent homelessness. Between 1969 and 1980, AFDC benefits failed to keep pace with the inflation rate, falling behind by approximately 56 percent in real dollars. In 1985, the poverty level for a family of three was defined at $8,850. However, AFDC cash benefits combined with food stamps fell well below this level, amounting to only $7,000.

The facts speak for themselves. Without an external support network and an adequate, reliable source of income, it is virtually impossible for many families to avoid homelessness, even with governmental or social aid.

The story of Linda, one of the women we interviewed, illustrates the difficulties experienced by some families. Linda is a 19-year-old, single mother of a 3-year-old boy, Tommy, who has been living in a family shelter in Boston for the past 6 months. She is 8 months pregnant and will return to the shelter with her newborn after the delivery. The father lives nearby, but refuses to take responsibility for the new baby.

Linda was born in Tennessee. Her mother, a chronic alcoholic with manic-depressive illness, worked intermittently as a maid. As a result, Linda was cared for by an elderly woman who frequently left her alone. At age 4, her mother reclaimed her and moved the entire family to Boston. Linda remembers her mother calling her names, beating her with sticks, and locking her in the closet. Unable to tolerate the continuous abuse, she became a runaway at age 8. During the next 3 years, she wandered the streets and was temporarily placed in department of youth services facilities, but always returned to mother who severely beat her.

Since that time, she has never lived anywhere for longer than 2 years. At the age of 11, she was sent to the New England Home for Little Wanderers for 2 years. By then she no longer cared about anything and felt nothing. At age 13, she was placed with a foster family where the father sexually abused her.

Feeling helpless and hopeless, she made a serious suicide attempt at age 15. An older sister took her in, but when she became pregnant and refused to have an abortion, her sister threw her out. Desperate and frightened and with no place to go, she lived on the streets and in abandoned, rat-infested buildings.

She gave birth to Tommy 3 years ago. Since that time, they have lived in 12 different places—in the apartments of several sisters, her mother, friends, and a boyfriend in Florida, in abandoned buildings and in three family shelters. Until recently, Linda disciplined her son by beating him, but stopped when he seemed frightened most of the time. On evaluation, Tommy manifested major problems in every area of development, including language, fine and gross motor skills, and social relationships. He has a developmental age of approximately 2 years and is already a full year behind.

Without work skills or a high school education, Linda's future is bleak. She currently receives $328 per month from AFDC, has Medicaid, food stamps, and 707 certificate.

Despite her son's urgent needs and the intensive help she has received from the shelter staff, she has not found stable housing or a day care program for him. With the exception of the department of public welfare, who gives her a check, she has no contact with any social service agency.

Are there many homeless families similar to Linda and Tommy? In our study, approximately 85 percent of the families were headed by women on AFDC. The most typical profile was a single, 27-year-old mother of 2.4 children, who had completed high school and had been receiving AFDC for more than 2 years. Compared to Massa-

chusetts, AFDC recipients, long-term AFDC recipients, were significantly overrepresented among homeless mothers.

While there is no uniform profile for homeless families, our research uncovered patterns common to many. The majority of women have lived in unstable situations before coming to the shelter. Once on the streets, these problems are greatly magnified and for many became insurmountable. The sheltering facilities were just another brief stop in a long pattern of instability.

Although most of these mothers grew up in the same geographic area where they were sheltered, they had moved many times in the 5 years prior to becoming homeless. Approximately 33 percent had lived in other emergency shelters; 50 percent had lived in hotels or motels; and 85 percent had been doubled up with relatives or friends in overcrowded apartments. Overall, one-third had lived in a combination of two of these situations. In the year prior to becoming homeless, the pattern of instability seemed to worsen. During this time, the families had moved an average of four times.

When asked why they had lost their homes, 57 percent cited housing problems such as eviction, nonpayment of rent, condominium conversions, and most commonly, overcrowding. Almost one-third described an interpersonal precipitant, including dissolution of a relationship with an alcoholic man, battering, death or illness within the mother's nuclear family, or inability to get along with others in a shared domestic arrangement—excluding overcrowding.

For the majority of families we interviewed, the current homelessness episode was just one more phase in a long cycle of family disruption and instability. The cycle itself is responsible for generating an intense and debilitating pattern of emotional distress, despair and hopelessness among mothers and children alike.

In addition to economic factors, what accounts for this pattern of instability? Two-thirds of the homeless women we interviewed had themselves grown up in broken homes. Whether the homes were disrupted through divorce, desertion, illness or parental death, whether the children were placed with relatives or in institutional settings, the resultant chaos profoundly affected many of these children's early development, particularly those who had lost both parents when they were 5 years or less.

As a result, many homeless women now exhibit an inability to establish themselves as autonomous adults. Most had sporadic or nonexistent work histories, and no stable, reliable relationships or supports. More than 50 percent of the mothers reported either no relationship or could name only one person with whom they had a relationship. Of the latter, many mentioned a recent shelter friend or a professional contact. More than 25 percent named their child as the major support.

Approximately one-third of the women had moved from their parental home into relationships with men who severely battered them. Unable to separate from either their parents or their abusive husbands, they sometimes became homeless when these relationships were disrupted

Many mothers reported ongoing problems with their children, as well as difficulty parenting. Some of these mothers had been abused by their mothers, and now perpetuate the cycle of abuse. Sarah, a 21-year-old mother of a 1- and 3-year-old was beaten with

chains and burned by her psychotic mother. She now spanks her 2-year-old and does not know when to stop. Like Sarah, more than one-fourth of the mothers had open 51-A's, the Massachusetts State law requiring the reporting and investigating of all potential cases of child abuse and neglect. It is not surprising that some women, who themselves had been inadequately mothered, now have difficulty parenting.

Unlike homeless adult individuals, however, homeless mothers were not suffering from psychotic illnesses, or other major mental illnesses—commonly referred to as DSM-III Axis 1 diagnoses. Instead, the majority had serious emotional vulnerabilities, and personality problems that, in part, accounted for their disturbances in functioning.

Our data indicate that the economics of poverty play a central, necessary, and immediate causal role in the origins of family homelessness. But for many of the families that we interviewed, economics was not sufficient to explain homelessness. The problem is far more complex, so that simple reductionistic theories are incomplete, and we must look further. The data suggest that the combined effects of economics, poverty, violence, and deprivation on a person's self-esteem together have contributed to the cycle of poverty, family breakdown, and more recently, family homelessness.

Poverty itself erodes a person's self-esteem and confidence and creates feelings of despair and alienation. When poverty is coupled with the breakdown of family structure and values, its effects are more pernicious. Those who lack the early nurturance of a mothering figure, have been abused, have lived in chaos during their formative years, or who lack positive role models, often manifest this profound deprivation by developing behavioral disorders later on in life.

Moreover, based on our data of three generations, we must raise the question of whether we are witnessing a newly emergent cycle of intergenerational psychological vulnerability and stress. Are the homeless children who are already manifesting severe emotional problems at high risk of becoming the system dependent adults of the next generation, and perhaps, even the homeless adults?

Identifying and labeling emotional problems among any disadvantaged population always carries with it the risk of blaming the victim. However, ignoring psychological factors will lead to faulty social planning. If family homelessness were solely due to economics and bad luck, then the potential solution involves only income assurance and the construction of many more low income housing units. However, if the problem for many homeless families is both economic and psychological, then supports and rehabilitative services attached to housing becomes an essential part of the solution. Linda and Tommy, for example, need not only housing and adequate income maintenance, but a wide range of social welfare services, including job training, social skills training, social supports, and therapeutic day care. All of these programs must be provided within supportive community settings, and be tailored according to a family's ability to function independently. Without attention to the interplay of environmental and psychological forces, and a commitment to overcoming them, the plight of homeless mothers and their children will continue to be desperate.

Mr. WEISS. Thank you very much. Dr. Rubin?

Dr. RUBIN. Given a mother's pervasive and chronic emotional disabilities, it is not surprising that the children manifest a wide range of emotional, social, and cognitive difficulties, as well as lags in developmental milestones. The children's problems are heightened by the stress of repeated disruptions, most currently, living in a shelter where there is little privacy and overcrowding. A mother's distress about her homelessness is naturally communicated to her children. Because of the absence of a second parent, and the lack of child care in the majority of shelters, mothers often spend 24 hours a day with their small children. School provides some relief for the older children. Generally, the shelter atmosphere is tense and sometimes explodes into episodes of abuse.

We interviewed 151 children living in 14 shelters and 10 welfare hotels in Massachusetts. Their ages range from 6 weeks to 18 years. Many of the children had severe emotional problems. One child had failure to thrive. Another child had not received his innoculations. A 3-month-old girl was listless, depressed, and unresponsive. A 6-month-old girl was repeatedly fed spoiled milk and developed an infected rash because her diaper was changed occasionally. A 19-month-old baby stopped eating and developed nightmares when he came to the shelter. According to his mother, a 10-year-old boy was so worried that he pulled out three of his permanent teeth.

First, I will describe the children 5 years of age and less. In addition to sleeping and eating disturbances, many of the preschool children exhibited serious lags in developmental milestones. We used the Denver developmental screening test to complete developmental evaluations. This test is a screening instrument used by pediatricians to identify gross developmental lags and to indicate the need for further medical evaluation. The Denver provides norms that describe when children of a certain age master various developmental tasks. For example, more than 90 percent of children walk by the time they are 14 months old.

In our study, 47 percent of the preschoolers exhibited impairments requiring further evaluation. Other studies have indicated that children growing up in poverty only manifest difficulty in language skills. The homeless children, in contrast, had difficulties not only with language skills, but in motor, social, and personal development as well. Surprisingly, one-third of the children lagged in two or more areas of the Denver. Although the children needed greater stimulation and more opportunities for interaction, very few were in day care or Head Start Programs.

Thirteen-month-old William illustrates the problems manifested by some of the homeless preschoolers. His mother, Joan, is a 22-year-old woman who was raised in a middle-class Catholic family. She graduated from secretarial school, and then worked steadily until her son's birth. Her husband, a computer programmer, began to deal drugs and they were soon living extravagantly. All this collapsed when he was arrested, their possessions were confiscated, and he was sentenced to a 6-year jail term.

Joan became clinically depressed, was unable to stay alone, and stated that only William kept her going. Because she did not want to leave William to go to work, she began dealing drugs, using cocaine, and drinking heavily. Finally, a care and protection petition

was signed, and she was evicted for nonpayment of rent. Without friends or supportive family, she turned to the shelter system.

When we first met William, he was a pale and chubby little boy with a broad and ready grin. He sat immobile, exactly where his mother placed him. When I enticed him with a colorful rattle, he purred appreciatively but made no discernible sounds such as ba-ba and ma-ma. He crawled on one knee using his other foot to push himself along, but was unable to stand or walk.

His mother corroborated our findings and had various explanations to account for William's delays. She felt he could not say mama because they lived alone and he never heard anyone refer to her as mama. Overall, William was about 7 months behind in gross and fine motor development and in verbal skills.

Next, I will describe the school-age children. Using the childhood depression scale, we found that of the children over the age of 5, 54 percent were depressed and required further clinical evaluation. Based on norms from other studies, 31 percent scored so high on this test that they had evidence of a clinical depression. In response to the questions I asked about suicidal thoughts, most of the children stated that they had thought about killing themselves, though they would not carry this out. The children also completed a scale called the children's manifest anxiety scale. Forty percent scored above the mean, indicating that they were experiencing intense anxiety.

High levels of depression and anxiety interfere with the capacity to learn. This assumption was supported by our finding that 43 percent of the children had already repeated one grade, 43 percent were currently failing, or doing below average work in school, and 25 percent were in special classes.

The case of Robert illustrates some of the difficulties experienced by homeless school age children, as well as the pressures of shelter life. Robert was an overweight 12-year-old boy. He told me that he hated school, was bored, and worried that schoolmates would discover he had no real home. He disliked the shelter and the other children there, and spoke wistfully of the family's last home in a trailer.

On several items of the depression scale, Robert checked off the worst possible response out of three. He said that he was ugly, and that he often thought about killing himself and would do it if he had the chance. He was not sure how he would carry this out, but felt desperate enough to hold it as an idea. Robert then supplied proof of his all-around unacceptability. He had no friends. He was teased by peers and criticized by adults. He was failing in school and had already repeated a grade.

As Robert was describing a vivid nightmare that he had had the night before, we were interrupted by a group of children who told me that Robert was a thief. Then, one of the older boys grabbed a comb from Robert's hand, accusing him of stealing it from his sister. He told Robert angrily that he would make sure that he never stole anything from his family again. All the while, Robert sat motionless and spoke only once, insisting that the comb was his.

Both the mothers and children's difficulties mirror the pernicious effects of poverty when it is combined with extreme family

disruption. Long histories of family instability and economic hardship, now coupled with the unusual pressures of a homeless existence, are reflected by these children. Most worrisome is the effect of this situation on children during their formative years. Because a year in the life of a preschooler is critical for his or her future development and later capacity to form coping skills, we cannot wait to respond. The plight of homeless children should be viewed as an emergency that requires the attention of all of us.

Mr. WEISS. Thank you very much, Dr. Rubin. Ms. Bernier?

Ms. BERNIER. Thank you. Mr. Chairman, I represent the Massachusetts Committee for Children and Youth [MCCY], which is a statewide private, nonprofit citizen's advocacy organization that has been operating for 25 years in the Commonwealth, and is dedicated to improving the lives of Massachusetts' most vulnerable children. Historically, these have included drug-addicted newborns, abused and neglected children, children in substitute care, and runaway and homeless youth.

In response to the data which were generated by Dr. Bassuk's study on homeless families, MCCY received a grant from the Boston Foundation to explore the housing and human service needs of homeless children and their families and to propose a set of specific public policy recommendations and a system of social services for this vulnerable population.

In Massachusetts, which is considered to be a pioneering State in its response to the problems of homelessness, 21 State-funded shelters and three transitional housing programs have been developed within a 2-year period—largely through the efforts of the Dukakis administration and the private sector. These currently serve 220 homeless families. Another 350 families live in hotels and motels funded by the department of public welfare and by some Federal dollars. Included in these statistics are at least 1,200 homeless children, over half of whom are preschoolers.

Although the family shelters are fulfilling their initial purpose—to provide a safe, temporary haven—the shelters are not designed to provide the broad array of social services and mental health programs, which many homeless multiproblem families require. The enormous dedication and energy of shelter staff is commendable, but it simply cannot address the need for permanent stable housing, job training, lack of adequate income, and necessary social supports.

In some ways the hotels and motels create even more problems for families. In Massachusetts, many families are placed in these settings, which are scattered across the State. Many are near busy highways, in seedy neighborhoods, or in isolated areas. For a population of individuals with no transportation, these settings can be isolating and can turn the simple tasks of food shopping, doing laundry, or keeping a medical appointment into a major problem. Additionally, because no cooking facilities are provided many families subsist on a diet of cold or dry food. The lack of refrigeration further compounds this problem. It is not uncommon for mothers with infants to use the toilet tanks in their rooms to store baby formula or milk.

Privacy is unually nonexistent in these facilities; most families are usually provided with a small room where they must eat, sleep,

and live together. There are no common spaces where children can play together and no formal programs in the hotels to help families cope with the enormous stresses that they face.

Over one-third of Massachusetts hotel families stay in these facilities for over 90 days and many have been in the hotels for over 1 year. Massachusetts pays between $1,400 and $1,500 per month to maintain families in these substandard accommodations.

Four key points must be made. First, family homelessness has mounted to crisis proportions in many towns and cities across the country. Whatever the multiple causes, some significant percentage of homeless children and their mothers are suffering major emotional and developmental stresses, which the Federal Government and States must address together. Failure to successfully do so now will have serious intergenerational consequences later.

Second, long-term, stable independent housing must be our vision for all homeless families, despite the reality that many homeless families will need to work toward independence through carefully developed transitional or supportive housing models. The Federal Government must assist States in meeting pressing housing needs. The Federal Emergency Management Agency funds designated to support emergency shelter and food needs in the States must be maintained. To meet the real needs of these families, some of the guidelines should be revised. For example, food stamps can only be used to purchase nonprepared foods and not to purchase restaurant or cafeteria foods, which are considered prepared. For the hotel family with no option to cook, store, or refrigerate food, this rule often results in the purchasing of low quality snack foods, which take the place of hot, nutritional meals.

Section 8 housing certificates, which comprise the Federal Rental Assistance Program, help bring homeless families back into private housing by allowing eligible renters to pay only 30 percent of their net income toward the monthly rent. Unfortunately, section 8 may be replaced with a voucher program that would provide shorter contract terms. This would further reduce assistance to homeless families.

Compounding State and city housing problems is the lack of commitment by the Federal Government, in general, to building subsidized housing units. As Chester Hartman, a low-income specialist, has summarized, "the Government is mounting a full scale retreat from the housing role it began to assume during the New Deal and has followed, however inadequately, over the last 50 years. Direct provision of housing for low- and moderate-income households, through Federal Government aided construction and rehabilitation programs, has come to a virtual halt. In 1985, only 5,000 units of conventional public housing were funded and the proposed fiscal year 1986 budget contains a 2-year moratorium on all additions to the subsidized housing stock."

Third, AFDC benefits are grossly inadequate; the low rate is contributing to homelessness. Not since 1970 have AFDC benefits in Massachusetts been equal to the Federal poverty level. Right now, AFDC and general relief lag about 41 to 44 percent behind the Federal Poverty Index. With increased rents and vacancy rates of less than 1 percent in most cities—in Boston, the rates are so low that

they cannot even be measured—welfare recipients cannot compete in the private housing or rental market.

Finally, for homeless families, solutions to their problems will have to come from a relief package which includes some combination of housing, income maintenance, and social services.

What about the social services? Must we develop a new array of programs to serve homeless families? MCCY believes that many of the necessary services already exist, but need to be coordinated or expanded. I am speaking of services such as Head Start, day care programs, and therapeutic nurseries.

At the outset, all families that become homeless should be thoroughly assessed as they enter the emergency shelter or hotel system. Their needs should be carefully defined. How do the families perceive their own problems and needs? What is the extent and duration of their homelessness? What has been the family's involvement with other agencies?

Once this has been ascertained by a competent professional person such as a social worker, a multidisciplinary team should come together to develop a case plan for each family. These teams have been successfully utilized since the 1970's to review complex child abuse cases, which often involve multiproblem families. In general, these teams would consist of a physician, psychologist, social worker, housing specialist, employment and training person, and perhaps a child development expert. They could have access to consultation from other disciplines when needed on a case-by-case basis. Their composition would vary according to the families' needs.

The team would develop realistic short- and long-term goals for the family as a whole and for each of its individual members, including the children. Medical, psychological, vocational, educational, housing, and income maintenance needs would be specifically addressed. Community providers would be identified to carry out certain aspects of the plan. A time schedule for reviewing the plan and evaluating progress would also be set.

Case aides would then oversee implementation of the plan over time. They would keep the team appraised of any problems requiring any change or refinement of the plan. They would serve as ombudsmen and would maintain ongoing contact with the family until stabilization occurred. The case aides would also work with parents on a one-to-one basis to help develop parental self-confidence and self-esteem, to strengthen parenting and individual coping skills, to increase understanding of normal child development, to improve problem solving and communication skills, to extend social contacts and reduce isolation, and to promote the utilization of appropriate community resources.

In closing, Mr. Chairman, it seems to us that the tangle of poverty, poor work histories and behavioral problems, and the lack of adequate housing, are contributing to an underclass of citizens across this country whose needs must be quickly and sensitively addressed. Without such actions, many of the children born into these families will all too predictably carry on their parent's legacy of hopelessness and despair.

Mr. WEISS. Thank you very much.

Let me start off with where you end up. Who do you think is going to provide those services?

Ms. BERNIER. Many of these services already exist in communities and are supported through public and private sources. We have been in discussion with the department of social services in Massachusetts and have explored the team model. We are now discussing how to implement this model.

Our sense is that a team of professionals could be pulled together to assess families onsite. Social workers could be housed in each of the various shelters and even in the hotels and motels to ensure that every family is assessed by a competent clinician who understands family dynamics. The social worker or other clinician could determine whether this is a family that is experiencing economic hardship and can use the shelter as a temporary facility and then move on to permanent housing—or determine whether the family does, in fact, constitute a multiple problem family similar to those that Dr. Bassuk and her colleagues have described. If this is a multiproblem family, if the child and the parent have a wide range of unmet emotional and/or medical needs, the team would review the relevant case information and data from various agencies that might have had contact with the family, and they would develop specific short- and long-range plans for this family. Community agencies would be contacted; they would begin to provide day care for the children, counseling and parenting classes for the mother, and other social welfare programs, if that was considered necessary. The case aide would be responsible for overseeing the family. He/she would ensure that every part of the plan was carried out in a timely fashion.

Mr. WEISS. Certainly, Massachusetts has been doing some very innovative work, generally, in going to the problems of dependency. I would be appreciative if you would keep us apprised as your discussions progress, to see how you are doing, and if, in fact, you succeed in setting up a model which the rest of the Nation could effectively pursue.

Ms. BERNIER. I certainly will. We are hoping to develop this model and to seek funding to set up a demonstration site in Boston. In that case, we would very stringently evaluate it and make that information available.

Mr. WEISS. Thank you.

Dr. Bassuk, how many children were in the families that you saw?

Dr. BASSUK. We saw 210 children across Massachusetts and that included a subsample from 10 welfare hotels.

Mr. WEISS. And are the shelters that you visited adequate for the care of children and homeless families?

Dr. BASSUK. No; I do not think so. The shelters need far more services. The needs of the children are not attended to, except in certain unique situations. Many of these children are not in school. The stresses of shelter life are intense. The children mirror the inadequacies of the shelter in their discussions of suicide, their high levels of anxiety, and their impairment in developmental milestones. Many of the children we saw also had sleeping and eating disorders.

Mr. WEISS. If any of you, incidentally, want to add to any of the responses, please feel free to do it.

Given the current state of support services, what do you think is going to happen to these kids?

Dr. BASSUK. I think these children will continue to fail in school. One of our most surprising findings was that 43 percent of the kids had already repeated a grade before they got to the shelter. I imagine that their learning difficulties will continue and that the kids will continue to experience high levels of anxiety and depression.

The preschoolers, the kids, 5 years and less, who are already manifesting developmental lags, will start in school behind their peers and will probably have difficulty learning. Our concern is that eventually these kids may become the system dependent adults of the next generation and carry on this legacy of instability and psychological vulnerability.

Mr. WEISS. Is it your sense that your findings, in Massachusetts, can be extrapolated to the rest of the country?

Dr. BASSUK. That is a difficult question to answer since our study is the first of its kind in the country. We need more information. We would have to compare how far the housing market has collapsed in other States and how similar the shelter situation is to Mass. Massachusetts shelters about 600 families per night. In contrast, New York has 4,000 sheltered families per night. Because of the lack of data from other States, it is not possible to apply our data directly. However, it is our assumption that the most marginal families fall out of the system first. Our guess is that homeless multiproblem families are present in most street populations nationwide.

Mr. WEISS. You testified that more than housing is needed for homeless families that you studied. Would you elaborate on exactly what is needed to sustain these families in the home environment?

Dr. BASSUK. I think programs need to be tailored to the individual needs of the family. The combination of resources that is needed depends on the particular ingredients that contributed to the family's lack of shelter. In general, the mothers need a full array of support services. The mothers need to be provided with some child care. Many also require parent-aides, social skills training, job training, and a wide array of other social welfare services. The children need programs such as therapeutic day care, Head Start, infant stimulation programs, and perhaps centralized magnet centers where these kids could go during the day and be followed regardless of where they are living.

Mr. WEISS. I understand that 50 percent of the women you studied had been on some sort of income maintenance program for 2 years or more.

Dr. BASSUK. The number was closer to 60 percent.

Mr. WEISS. How did the histories of these women compare to the other 60 percent who had been on income maintenance for shorter periods?

Dr. BASSUK. That's an interesting question.

In general, the long-term welfare recipients had more emotional difficulties. A significantly greater number grew up in broken homes. When the families were disrupted, they were more commonly placed outside the family—either with a relative, in foster

care, or in some kind of institutional setting rather than with the remaining parent. Also, their mothers were more often long-term welfare recipients. These homeless mothers now have a higher incidence of open 51-A's—the Massachusetts care and protection law. They seem to have greater difficulty parenting than shorter term welfare recipients.

Most important, those women—about 15 percent—who tended to be chronically homeless were long-term welfare recipients.

Mr. WEISS. Based on your examination of homeless families and the shelter system designed to help them, do you think that resources exist to help homeless people without any assistance from the Federal Government?

Dr. BASSUK. No; I don't. Many of these families have extreme economic and emotional problems. As we have described, the children, too, are suffering and manifest serious emotional difficulties. They need a wide array of services, including housing, income assurance and social welfare programs. It is a very expensive proposition for the States and municipalities to support alone. To rectify this problem, we need additional aid from the Federal Government.

Mr. WEISS. And it is your sense that the Federal Government could be participating in all those elements that you have named?

Dr. BASSUK. Yes.

Mr. WEISS. Thank you very much. It is important testimony and we will be waiting for the followup information that you are going to send to us.

That concludes our hearing for today.

The subcommittee now stands adjourned subject to the call of the Chair.

[Whereupon, at 12:40 p.m. the subcommittee adjourned, to reconvene subject to the call of the Chair.]

APPENDIX

MATERIAL SUBMITTED FOR THE RECORD

The City of New York

HUMAN RESOURCES ADMINISTRATION
250 CHURCH STREET, NEW YORK, N.Y. 10013

GEORGE GROSS
Administrator Commissioner

April 4, 1986

Honorable Ted Weiss
House of Representatives
2442 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Weiss:

Unfortunately, I was unable to testify on March 19 before the House Government Operations subcommittee on Intergovernmental Relations and Human Resources, which you chair. However, I would like to take this opportunity to discuss New York City's program for homeless families and to raise some issues concerning the care and shelter of this needy population.

The New York City Human Resources Administration is currently providing emergency shelter accommodations for over 4,107 homeless families, or about 15,300 persons, at an annual projected cost of $109 million. The families are being sheltered in 65 different facilities located in all five boroughs. We are currently using 56 hotels located throughout the City. We also have five congregate shelters which provide accommodations for more than 360 families. Additionally there are four family centers which provide furnished apartments operated under contract by not-for-profit agencies.

These facilities offer a number of basic support services, such as counseling, child care, linkages to medical care, job training and referrals to permanent housing. The congregate shelters serve three meals a day. The hotel residents receive food stamps, including an additional allowance because of the need to eat in restaurants. Residents of the family centers have full cooking facilities.

I would like to point out the efforts we are making to deal with the rapid growth in homeless families, and in improving the quality of services. Last year at this time the City sheltered 3,449 homeless families totaling 12,313 people. The 15,300 people we shelter today represent an increase of 25 percent in the last year. To keep pace with this extraordinary growth in the number of homeless, and to improve the quality of services to homeless families, we have undertaken the following efforts:

Development of Family Residences for Homeless Families

This fall we opened our first family residence centers. This type of facility provides a residential setting and a level of services which we believe is most appropriate to the needs of displaced families. All of the families live in private rooms and receive three meals a day as well as round-the-clock health care and social services. We plan to reduce our reliance on hotels and to use family residences to meet the increasing demand for longer-term temporary shelter over the next few years.

Emergency Assistance Unit (EAU) Increased Services

The Emergency Assistance Units are twenty-four hour intake services for homeless families and persons. The EAU refers families to available emergency shelters. This winter we have substantially upgraded services in our EAU's. Each unit has a doctor and social worker available on the 4:00 pm to midnight shift to examine families for possible contagious illnesses and to assess their social service needs.

Hotel Services

Eighty percent of the hotel rooms accommodating homeless families now have refrigerators.

Preschool and Head Start Slots.

Child Abuse Prevention Services.

Visiting Nurse Service in all hotels.

Fourteen hotels have recreation programs, including an evening program for older children.

Food Bank

The City is providing $191,928 to the city-wide food bank which is located in the Hunts Point co-op market in the Bronx.

As of January, 1986, approximately 1.7 million pounds of food had been distributed to 325 not-for-profit organizations (soup kitchens, food pantries and City agencies) at a cost of 12 cents per pound. By purchasing food from the food bank, member organizations have saved $2 million to date.

In-Rem Program

Since mid-1983, the City has undertaken a vigorous program to increase the supply of permanent housing. The Department of Housing Preservation and Development has renovated over 6,400 units of in-rem housing. We plan to add an additional 3,000 - 4,000 units every year.

Long-Term Housing Program (State and City)

The Mayor proposed a multi-billion dollar project to create 100,000 units of housing for middle and low income families over the next 10 years. Legislation has passed and is expected to be signed by the Governor that will create 36,400 units. We hope to secure the additional units in the near future. It is one of the most ambitious housing projects ever conceived by a locality on behalf of its citizens.

New Family Center Housing

A request for proposals was issued by the City's Department of Housing Preservation and Development last June to provide family center type transitional housing for homeless families. Four organizations were selected to develop about 400 units of housing by rehabilitating vacant City-owned buildings using private funds. Development is expected to be completed within 18 months of securing final approvals from the appropriate City agencies.

New Homeless Housing Program

The City recently awarded 36 vacant City owned buildings and $30 million to 29 non-profit groups which will provide transitional and permanent housing for homeless families and single individuals. Eleven of these groups will also receive contracts from HRA to operate transitional residences for homeless persons.

The Help I Program; State and City Effort (Brooklyn)

Help I is a non-profit corporation which was formed to develop 200 units of transitional housing for homeless families on a site in Brooklyn identified by the City. The program will be financed by low interest state bonds, and the State's Urban Development Corporation will condemn a site for the project in the East Brownsville section of East New York. The housing will be built at no profit by a private developer. On-site social services will be provided by the Red Cross. Clients will be referred by HRA from its homeless family caseload.

Priority Rehousing

While most families secure housing on their own, those who have been in shelter the longest are transported by HRA vans to see vacant apartments renovated by HPD in City-owned buildings. HRA also secures apartments in private buildings through a landlord bonus program called the Emergency Assistance Re-housing Program (EARP). HRA expects to obtain 1,000 units for homeless families through this program. It is one of many efforts to move the hotel population to permanent housing.

We can and will continue to provide temporary shelter for all those who need it, but we must face the very basic problem of the lack of permanent housing. The City, along with the State, is making enormous efforts with limited resources to alleviate this problem. However, recent massive cuts in federal assistance severely hamper our efforts. From 1982 through 1985, the City loss of $660 million in federal funds for construction and renovation of housing for low income persons exacerbated the existing housing shortage. The vacancy rate for low income units is now 1.6 percent.

I hope that this information will assist you and your colleagues in Congress to create an atmosphere of greater understanding of the needs of homeless families. We continue to look for alternatives to the hotel program and sources of assistance to help alleviate the housing shortage. The cost of constructing the number of low income housing units that we need is extraordinary for a municipality. Yet, as outlined above, New York City has developed several creative financing methods: bond financing, private-public partnerships, and landlord bonuses in order to produce as much housing as we can. The City cannot do this alone. We look to the federal government to

resume its role in the housing arena and to assist local government in the construction and rehabilitation of housing for low income families. In addition, the City has included several proposals relating to the homeless in its 1986 Federal Program. We urge your consideration of these proposals.

Once again, I thank you for the opportunity to present New York City's program to assist the homeless. If I can be of any further assistance or if I can provide you with any further information, I will be glad to do so.

Sincerely,

George Gross

NEW YORK STATE
DEPARTMENT OF SOCIAL SERVICES
40 NORTH PEARL STREET, ALBANY, NEW YORK 12243

CESAR A. PERALES
Commissioner

JUDITH BEREK
Special Assistant
To The Commissioner
On Inter-governmental Relations

April 11, 1986

James R. Gottlieb
Staff Director and Counsel
Subcommittee on Intergovernmental Relations
and Human Resources
Committee on Government Operations
U.S. House of Representatives
Russell House Office Building - Room B372
Washington, D.C. 20515

Dear Mr. Gottlieb:

Enclosed please find a statement for the record, as well as for the Subcommittee's general use, from the New York State Department of Social Services on the Emergency Assistance to Families program.

Please feel free to call me at (518) 474-9492 if you have any questions or concerns.

Sincerely,

Lloyd C. Bishop
Federal Legislative Liaison

Enclosure

TESTIMONY SUBMITTED BY

CESAR A. PERALES

COMMISSIONER

NEW YORK STATE DEPARTMENT OF SOCIAL SERVICES

TO THE

UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON GOVERNMENT OPERATIONS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

AND HUMAN RESOURCES

ON THE

EMERGENCY ASSISTANCE PROGRAM

MARCH 19, 1986

Thank you for the opportunity to present New York State's views on the Emergency Assistance to Needy Families with Children Program (EAF). Before I present my recommendations for improving the EAF program, I would like to give you some information that shows how important EAF is to the people of New York State.

During the 1984/85 Federal Fiscal Year, 53,746 cases comprising 199,855 individuals received EAF assistance in New York State. Federal expenditures came to $10,264,506. State and local governments spent a combined total of $10,264,247.

Although the money spent on EAF was small in comparison to other federal programs, the funds were used to help both public assistance and non-public assistance recipients to overcome specific emergency situations.

Recipients of EAF were, for example, helped to remain in their own homes, negating the need for hotel placements. Non-public assistance recipients whose specific emergency was met by EAF were helped to stay off regular public assistance. In both cases EAF helped save federal and local funds that would have been spent in higher amounts or over a longer period of time. In this way EAF meets both a humanitarian and fiscal need.

The EAF program is an important program that is cost effective. That doesn't mean, however, that it can't be improved. I believe that the proposals that I am about to make, if adopted, will both improve the administration of EAF and enhance our ability to meet the needs of the individuals eligible for EAF. The proposals are intended to give the states more flexibility in meeting the emergency needs of covered individuals while trying to stay within the fiscal restraints we all realize are necessary.

The first change I recommend is a change in the Social Security Act to remove the one time per 12 month restriction for authorizing EAF. This would allow New York State to help people cope with emergencies as they occur without regard to a formula that allows only one emergency per year.

We all know that people don't plan for emergencies and may indeed have more than one in a year. For example, a family might have an emergency housing repair and a domestic violence situation within the same 12 month period.

I don't believe that this change will open this program to abuse since the other guidelines in place in the Social Security Act adequately protect this program's fiscal integrity.

The second recommendation in EAF is for a change in the law to mandate HHS to be more flexible regarding the $500 limit on property repair. The $500 limit currently in Federal regulations may be adequate in some areas of the country but it is clearly not sufficient to help most of the people of my State maintain their housing if there is a sudden emergency.

I believe we can all agree it is both financially and socially desirable to maintain people in their own homes. The $500 cap makes it more difficult to do so. A family in New York needing a major repair to a heating system or a plumbing repair would need more than $500 in order to maintain their housing. I suggest that states be permitted to set their own reasonable limits.

The third change I recommend is a change in the law to mandate that HHS remove from its regulations the necessity for a child to have lived with a specific relative within six months of his request for Emergency Assistance. Any child who has an emergency, whether he or she lives with a designated relative or not, should be helped. No child should fall through the safety net because he or she does not live with a person designated by a regulation.

Finally, I recommend that you change the law to allow states to use EAF to establish and maintain innovative programs. Some programs we have in mind in New York State provide family shelters for homeless families, homes for battered spouses and efforts to rehabilitate housing. The expenditures for these programs would meet critical emergency needs while saving funds. All the special programs mentioned would reduce the need for emergency or ongoing expensive hotel payments while allowing us to provide better services to people who have emergencies.

Thank you for this opportunity to testify and I hope you will consider these recommendations carefully. With increased flexibility, states will be better able to use this program as a means to assist families in temporary need and prevent these families from entering the public assistance system.

CG:mb

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